



# Research

# **State Benchmark Survey**

State Benchmark Survey:  
Top line Results from 2006 Online Surveys of 13 State Web sites

California has been participating in a research project conducted by Texas A&M Department of Recreation, Park and Tourism Sciences since mid 2004, which gathers information about state destination website usage through online surveys.

Major research objectives:

- To determine travel characteristics of each state's web site visitors,
- To determine user preferences as related to each state's web site,
- To develop a demographic profile of visitors to the state's web site,
- To learn ways to improve the state tourism web sites.

Participating states for one or more quarters of 2006, in addition to California: Arizona, Florida, Iowa, Maryland, Missouri, New Mexico, North Carolina, Nevada, South Carolina, Texas, Utah and Washington.

Topline results:

- 64.1 percent of California web site users surveyed were planning a trip already decided, 8.3 percent deciding whether to visit, 10.8 percent deciding on things to do.
- 62.8 percent of California users are planning a vacation trip (primary purpose), 17.5 percent visiting friends and relatives, compared to 58.8 percent and 14.9 percent of all destination site users responding.
- 64.5 percent of California users plan to fly to the state, 21.9 percent drive; while 51.8 percent plan to rent a car within the state.
- 45.6 percent considered the information at Visitcalifornia.com as "very" important to the respondents' travel plans, 50.2 percent "somewhat" important.
- Time frame for trip considered or planned to California at time of request: 12.4 percent next week, 20.7 percent next month, 22 percent next 2-3 months, 19.4 percent within next 3-6 months, 11.7 percent more than 6 months away.
- Residents of the states visited make up 20.3 percent of all survey respondents. California residents, in line with overall results, make up 19.6 percent of total Visitcalifornia.com respondents; non-residents, 80.4 percent.
- Never been to California before: 28.4 percent.

# **California 2006 Preliminary Estimates**

# **CALIFORNIA 2006 PRELIMINARY ESTIMATES**

## **STATE & NATIONAL TRAVEL IMPACTS**

**FEBRUARY 7, 2006**

**DEAN RUNYAN ASSOCIATES**



## **STATE TRAVEL IMPACTS**

The multi-billion dollar travel industry in California is a vital part of the state and local economies. The industry is represented primarily by retail and service firms, including lodging establishments, restaurants, retail stores, gasoline service stations, and other types of businesses that sell their products and services to travelers. The money that visitors spend on various goods and services while in California produces business receipts at these firms, which in turn employ California residents and pay their wages and salaries. State and local government units benefit from travel as well. The state government collects taxes on the gross receipts of businesses operating in the state, as well as sales and use taxes levied on the sale of goods and services to travelers. Local governments also collect sales and use taxes generated from traveler purchases.

### **IMPACTS OF TRAVEL IN CALIFORNIA: A SUMMARY**

- Total direct travel spending in California was \$93.7 billion in 2006. Over the past three years, travel spending has increased in California at an average annual rate of 6.9 percent. During the past year, travel spending increased by 6.0 percent.
- A substantial share of the increase in travel spending was due to higher room rates, airfares, and gasoline prices. Inflation-adjusted (constant dollar) travel spending increased by 2.0 percent from 2005 to 2006.
- Thirty million visitors traveled to and through California by air in 2006 – essentially unchanged from the preceding year.
- During 2006, travel spending in California directly supported 925,400 jobs with earnings of \$28.4 billion. Travel spending generated the greatest number of jobs in arts, entertainment and recreation (232,900 jobs), food service (272,900), and accommodations (203,700).
- Visitors that stayed overnight in paid accommodations spent \$49.5 billion in 2006, or 57 percent of all visitor spending in the state.
- Travel spending in 2006 generated \$2.1 billion in local taxes and \$3.8 billion in state taxes.
- In 2006, one hundred dollars (\$100) of travel spending generated \$30.32 of earnings, \$2.22 of local tax revenue, and \$4.09 of state tax revenue.
- In 2006, the amount of travel spending that supported one job in travel-related businesses was \$101,300.

## RECENT TRAVEL TRENDS IN CALIFORNIA

Total direct travel spending in California was \$93.7 billion in 2006. Over the past three years, travel spending has increased in California at an average annual rate of 6.9 percent. During the past year, travel spending increased by 6.0 percent. Overall, earnings increased by 3.9 percent and employment by 2.0 percent.

### California Direct Travel Impacts, 1992-2006p

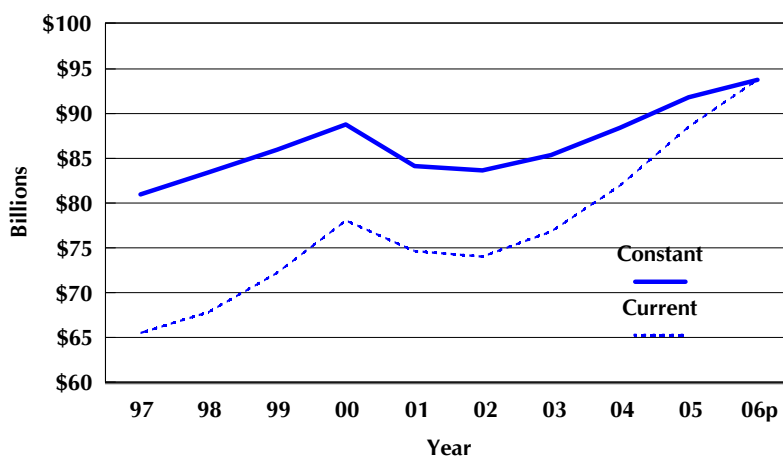
	Spending	Earnings	Employment	Tax Receipts (\$Billion)			
	(\$Billion)	(\$Billion)	(Thousand)	Local	State	Federal	Total
1992	52.1	16.3	770	1.0	2.0	2.9	5.9
1993	53.1	16.5	770	1.0	2.1	2.9	6.0
1994	54.0	16.8	793	1.0	2.1	2.9	6.0
1995	55.4	17.4	810	1.1	2.2	2.9	6.3
1996	60.2	18.7	846	1.3	2.4	3.1	6.8
1997	65.5	20.2	886	1.4	2.6	3.3	7.3
1998	67.8	21.6	890	1.5	2.7	3.4	7.6
1999	72.2	23.0	927	1.6	2.9	3.6	8.1
2000	78.0	24.8	941	1.8	3.1	3.9	8.7
2001	74.7	24.3	874	1.7	2.9	4.1	8.7
2002	74.0	24.5	856	1.6	3.0	4.2	8.8
2003	76.8	25.2	876	1.7	3.1	4.2	9.0
2004	81.9	26.5	893	1.8	3.4	4.4	9.5
2005	88.5	27.3	907	1.9	3.6	4.7	10.2
2006p	93.7	28.4	925	2.1	3.8	4.9	10.8
<i>Annual Percentage Change</i>							
05-06p	6.0	3.9	2.0	8.6	5.1	4.4	5.4
92-06p	4.3	4.0	1.3	5.7	4.6	3.7	4.4

Estimates for 2006 are preliminary. Earnings include payroll, other earned income and proprietor income. Employment includes payroll employees and proprietors. \*Annual Change for 1992-2006p is the average annual percentage change.

A substantial share of the increase in travel spending was due to higher room rates, airfares, and gasoline prices. Inflation-adjusted (constant dollar) travel spending increased by 2.0 percent from 2005 to 2006 (see graph, following page). A preliminary estimate of domestic air travel to and through California also indicates a flattening of growth relative to the strong increases of the preceding three years.

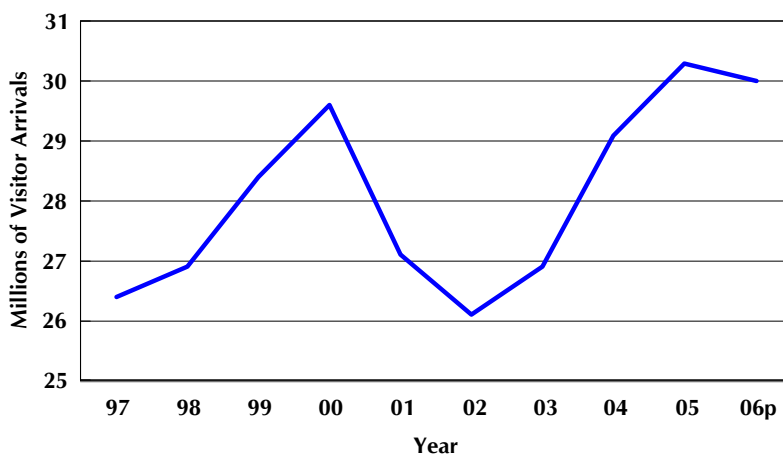


### Direct Travel Spending in California Adjusted for Inflation 1997-2006p



Note: Travel spending was deflated by a composite of price indices for the West Urban CPI and room rates reported by Smith Travel.

### Domestic Air Passenger Visitor Arrivals to California, 1997-2006p



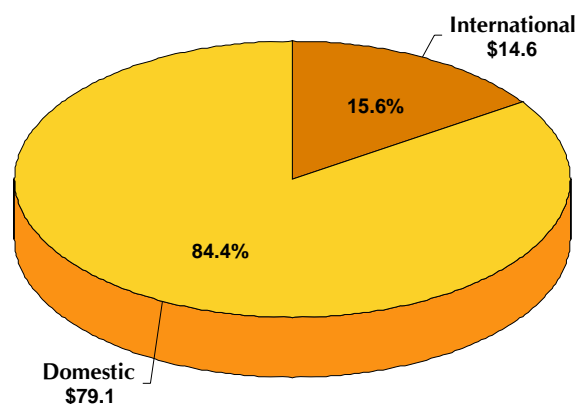
Source: Dean Runyan Associates and Bureau of Transportation Statistics (U.S. Dept. of Transportation).

Note: These estimates are for visitor arrivals only. They do not include return travel of California residents or connecting flights normally reported in air passenger statistics. Preliminary estimates for 2006 are based on January through September data.

## INTERNATIONAL TRAVEL TO CALIFORNIA

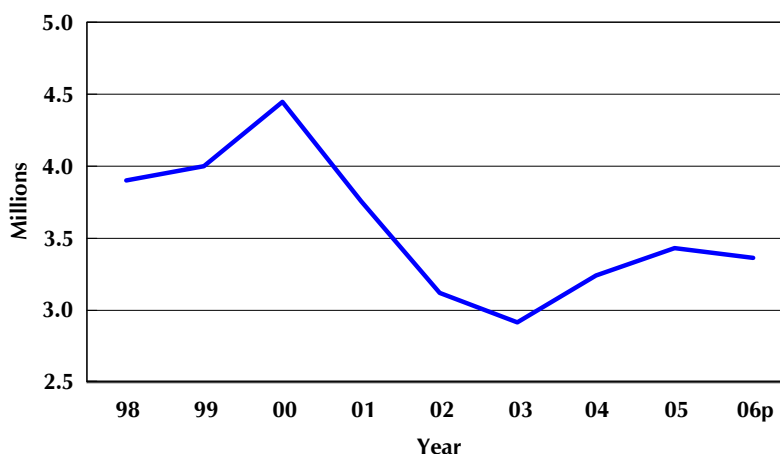
International visitors (visitors from overseas, Canada and Mexico) comprise a significant segment of total travel spending in California. In 2006, international visitors spent \$14.6 billion in California. This represents more than 15 percent of all travel spending in the state. The preliminary estimate of overseas arrivals at California ports of entry indicates little change from 2005 (see graph, below).

### Domestic and International Travel Spending in California, 2006p



Sources: Dean Runyan Associates, International Trade Administration and Bureau of Economic Analysis.

### Overseas Arrivals at California Ports of Entry, 1998-2006p



Sources: Dean Runyan Associates and Office of Immigration Statistics (U.S. Dept. of Homeland Security). Totals are sum of LA and SF Ports of Entry. Preliminary estimate for 2006 based on January through November data.

## EMPLOYMENT AND EARNINGS

Detailed earnings and employment estimates are shown in the table below.<sup>1</sup> Earnings include wages and salaries, paid benefits and proprietor income. The employment estimates represent all full and part-time employment, including those that are self-employed. Both part-time employment and self-employment are substantial in the travel industry. It should be noted that many individuals are employed in the travel industry on a part-time and a partial year basis.

### Direct Travel-Generated Earnings and Employment, California 2006p

Industry	Earnings	Employment
	(Millions)	(Thousands)
Accommodations & Food Service	\$14,319.0	529.6
Accommodations	\$6.8	203.7
Food Service	\$12,880.3	272.9
Other Leisure & Hospitality*	\$1,431.9	53.0
Arts, Entertainment & Recreation	\$7,262.3	232.9
Performing Arts, Spectator Sports	\$3,145.5	91.3
Museums	\$297.3	4.5
Amusement, Gambling	\$1,640.8	67.3
Other Leisure & Hospitality*	\$2,178.7	69.9
Retail	\$2,620.8	87.6
Food & Beverage Stores	\$374.1	11.2
Gasoline Stations	\$265.7	11.8
Other Retail**	\$1,981.0	64.6
Air Transportation	\$3,023.2	45.1
Travel Agencies	\$627.6	14.8
Local Transportation	\$560.3	15.5
Auto Rental	\$368.7	10.5
Other Local Transportation	\$191.6	5.0
Total	\$28,413.2	925.4

Note: \*Other Leisure & Hospitality includes government enterprises (including tribal gaming facilities) and all leisure and hospitality not allocated to classifications listed above.

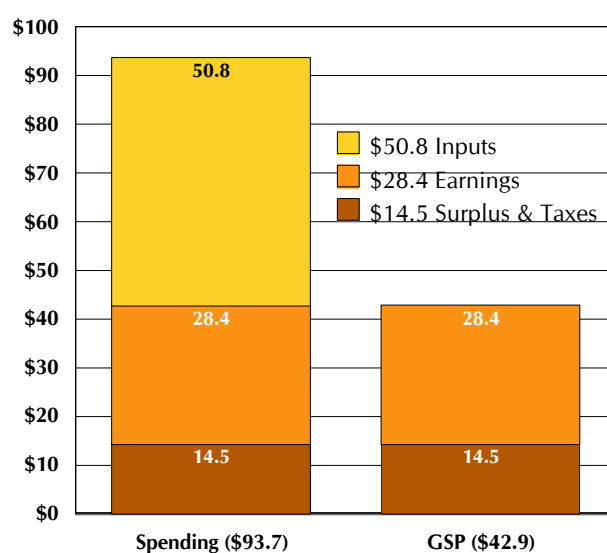
\*\*Other Retail includes general merchandise stores; clothing stores; sporting goods stores; hobby, book and music stores; and miscellaneous retail stores.

<sup>1</sup> The industry categories correspond to the NAICS scheme (see Appendix A, page 120). The industry estimates provided here generally correspond to the employment and earnings series reported by the U.S. Bureau of Economic Analysis' Regional Economic Information System (REIS), with some exceptions. Government employment is included in the industry categories listed here, whereas it is reported separately under REIS. This is particularly important for the arts, entertainment and recreation category. In addition, the accommodation and food services industry, as defined here, includes real estate management services associated with commercial lodging and vacation home rentals. Finally, because the estimates of travel-generated earnings and employment are derived from the *spending* reported by visitors on *commodities*, there will necessarily be some divergence from earnings and employment as reported by *industry*.

## GROSS STATE PRODUCT

Gross State Product (sometimes referred to as value-added) is a measure of economic activity that reflects the market value of the labor and capital used to produce goods and services. Gross State Product excludes the intermediate inputs purchased by businesses from other firms in the production process. It includes payments to individuals in the form of earnings, indirect business taxes to government, and other payments to individuals and corporations.<sup>2</sup> The relationship between travel spending and the Gross State Product of the travel industry is shown below.<sup>3</sup>

**Travel Spending and Gross State Product  
of California Travel Industry, 2006p**  
(\$ Billions)



Source: Dean Runyan Associates and Minnesota Implan Group.

The above estimates represent only the direct impacts of travel spending. A portion of the inputs purchased by travel businesses in California will be delivered by other California firms that are not strictly part of the travel industry. Restaurants, for example, will purchase agricultural products from other California businesses. These inputs are sometimes referred to as “indirect” effects.

Detailed estimates for direct travel spending, earnings, employment and tax receipts are shown on the following two pages.

<sup>2</sup> Indirect business taxes are primarily excise taxes, often paid by consumers as a sales tax. Income taxes are not included. Other payments include retained earnings, dividends, interest and rent payments.

<sup>3</sup> The “travel industry” is actually a combination of parts of other industries including lodging, food services, recreation businesses, retail businesses and transportation.

## California Travel Impacts, 1992-1999

	1992	1993	1994	1995	1996	1997	1998	1999
<b>Total Direct Travel Spending (\$Billion)</b>								
Visitor Spending at Destination	45.8	46.7	47.9	49.7	54.2	59.2	61.7	66.1
Other Travel*	6.3	6.3	6.1	5.7	6.0	6.3	6.0	6.0
Total Direct Spending	52.1	53.1	54.0	55.4	60.2	65.5	67.8	72.2
<b>Visitor Spending by Type of Traveler Accommodation (\$Billion)</b>								
Hotel, Motel	21.4	21.6	22.1	23.2	25.9	28.9	31.0	33.7
Private Campground	1.6	1.7	1.8	1.8	2.1	2.4	2.2	2.3
Public Campground	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Private Home	7.8	8.1	8.2	8.3	8.7	9.0	9.2	9.5
Vacation Home	2.4	2.4	2.5	2.5	2.6	2.7	2.7	2.8
Day Travel	12.2	12.5	12.9	13.4	14.5	15.7	16.2	17.3
Spending at Destination	45.8	46.7	47.9	49.7	54.2	59.2	61.7	66.1
<b>Visitor Spending by Commodity Purchased (\$Billion)</b>								
Accommodations	7.1	7.3	7.6	8.0	8.9	9.9	10.6	11.5
Food & Beverage Services	10.8	10.9	11.2	11.7	12.6	13.9	14.7	15.7
Food Stores	1.5	1.5	1.6	1.7	1.8	2.0	2.1	2.2
Ground Tran. & Motor Fuel	6.0	6.1	6.3	6.5	7.1	7.7	7.4	8.3
Arts, Entertainment & Recreation	7.8	8.1	8.3	8.8	9.5	10.4	11.0	11.8
Retail Sales	9.2	9.5	9.8	10.3	11.2	12.2	12.8	13.7
Air Transportation (visitor only)	3.3	3.3	3.1	2.8	3.0	3.1	3.0	3.1
Spending at Destination	45.8	46.7	47.9	49.7	54.2	59.2	61.7	66.1
<b>Industry Earnings Generated by Travel Spending (\$Billion)</b>								
Accommodations & Food Service	6.8	6.9	7.1	7.5	8.2	9.0	9.8	10.7
Arts, Entertainment & Recreation	3.9	4.0	4.2	4.4	4.8	5.2	5.5	5.9
Retail**	1.6	1.6	1.7	1.7	1.7	1.9	2.0	2.1
Auto Rental & Ground Tran.	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Air Transportation (visitor only)	0.8	0.8	0.7	0.7	0.7	0.7	0.8	0.8
Other Travel*	3.0	2.9	2.9	2.8	2.9	2.9	3.0	3.1
Total Direct Earnings	16.3	16.5	16.8	17.4	18.7	20.2	21.6	23.0
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>								
Accommodations & Food Service	389.6	394.4	404.0	414.0	439.5	458.7	468.7	492.2
Arts, Entertainment & Recreation	199.2	199.2	212.0	215.0	223.8	240.2	233.8	245.0
Retail**	81.4	81.8	83.8	85.8	84.4	87.0	87.2	89.0
Auto Rental & Ground Tran.	10.5	11.5	13.2	14.2	15.6	17.7	16.4	16.5
Air Transportation (visitor only)	17.8	16.5	15.5	15.7	16.2	16.1	17.0	17.6
Other Travel*	71.0	66.8	65.0	65.4	66.4	66.0	67.1	66.9
Total Direct Employment	769.5	770.3	793.4	810.0	845.9	885.7	890.2	927.2
<b>Tax Receipts Generated by Travel Spending (\$Billion)</b>								
Local Tax Receipts	1.0	1.0	1.0	1.1	1.3	1.4	1.5	1.6
State Tax Receipts	2.0	2.1	2.1	2.2	2.4	2.6	2.7	2.9
Federal Tax Receipts	2.9	2.9	2.9	2.9	3.1	3.3	3.4	3.6
Total Direct Tax Receipts	5.9	6.0	6.0	6.3	6.8	7.3	7.6	8.1

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## California Travel Impacts, 2000-2006p

	2000	2001	2002	2003	2004	2005	2006p
<b>Total Direct Travel Spending (\$Billion)</b>							
Visitor Spending at Destination	71.3	68.3	68.0	71.0	76.0	81.9	86.8
Other Travel*	6.7	6.4	6.0	5.8	5.9	6.5	7.0
Total Direct Spending	78.0	74.7	74.0	76.8	81.9	88.5	93.7
<b>Visitor Spending by Type of Traveler Accommodation (\$Billion)</b>							
Hotel, Motel	36.6	35.1	34.6	36.3	39.4	43.1	45.7
Private Campground	2.5	2.6	2.6	2.7	2.9	2.9	3.2
Public Campground	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Private Home	10.2	10.0	10.0	10.3	10.8	11.5	12.1
Vacation Home	2.9	3.0	3.1	3.2	3.4	3.6	3.8
Day Travel	18.5	17.0	17.1	18.0	19.0	20.3	21.3
Spending at Destination	71.3	68.3	68.0	71.0	76.0	81.9	86.8
<b>Visitor Spending by Commodity Purchased (\$Billion)</b>							
Accommodations	12.6	12.1	11.6	11.9	12.9	14.1	15.5
Food & Beverage Services	16.4	15.8	16.4	17.2	18.4	19.6	20.5
Food Stores	2.3	2.3	2.3	2.4	2.6	2.7	2.7
Ground Tran. & Motor Fuel	9.7	9.1	8.7	10.2	11.8	13.9	15.6
Arts, Entertainment & Recreation	12.4	12.0	12.2	12.7	13.3	13.7	14.1
Retail Sales	14.4	13.8	13.7	13.8	14.1	14.5	14.9
Air Transportation (visitor only)	3.4	3.1	3.0	2.8	3.0	3.5	3.6
Spending at Destination	71.3	68.3	68.0	71.0	76.0	81.9	86.8
<b>Industry Earnings Generated by Travel Spending (\$Billion)</b>							
Accommodations & Food Service	11.5	11.0	11.3	12.1	13.0	13.7	14.3
Arts, Entertainment & Recreation	6.2	6.0	6.0	6.3	6.6	6.9	7.3
Retail**	2.3	2.4	2.4	2.4	2.5	2.6	2.6
Auto Rental & Ground Tran.	0.5	0.4	0.5	0.5	0.5	0.5	0.6
Air Transportation (visitor only)	0.9	1.0	1.0	0.9	0.9	0.8	0.8
Other Travel*	3.5	3.6	3.4	3.1	3.1	2.9	2.9
Total Direct Earnings	24.8	24.3	24.5	25.2	26.5	27.3	28.4
<b>Industry Employment Generated by Travel Spending (Thousand Jobs)</b>							
Accommodations & Food Service	507.9	464.8	466.5	489.2	503.9	517.8	529.6
Arts, Entertainment & Recreation	243.1	225.1	218.5	220.6	224.5	225.4	232.9
Retail**	87.0	86.5	84.5	86.3	87.0	87.6	87.6
Auto Rental & Ground Tran.	16.5	15.2	15.0	15.0	14.8	15.1	15.5
Air Transportation (visitor only)	18.2	17.5	15.4	13.5	13.2	13.0	12.4
Other Travel*	67.9	64.9	56.6	51.6	50.0	48.1	47.5
Total Direct Employment	940.5	874.0	856.4	876.2	893.4	907.0	925.4
<b>Tax Receipts Generated by Travel Spending (\$Billion)</b>							
Local Tax Receipts	1.8	1.7	1.6	1.7	1.8	1.9	2.1
State Tax Receipts	3.1	2.9	3.0	3.1	3.4	3.6	3.8
Federal Tax Receipts	3.9	4.1	4.2	4.2	4.4	4.7	4.9
Total Direct Tax Receipts	8.7	8.7	8.8	9.0	9.5	10.2	10.8

Details may not add to totals due to rounding.

\*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## NATIONAL TRAVEL IMPACTS

Direct travel spending by domestic and international visitors in the United States was \$658 billion in 2006. This represents a 6.3 percent increase over 2005.

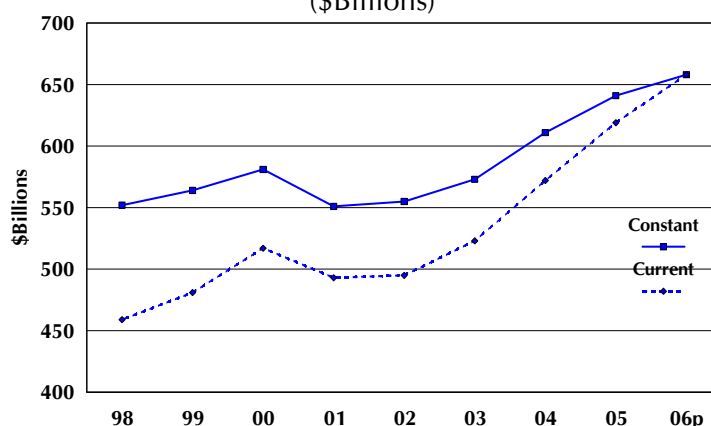
### Direct Travel Spending In U.S., 1998-2006p (\$Billions)

	Domestic	International	Total	Pct. Int'l.
1998	\$388	\$71	\$459	15.5%
1999	\$406	\$75	\$481	15.6%
2000	\$434	\$82	\$517	16.0%
2001	\$421	\$72	\$493	14.6%
2002	\$429	\$67	\$495	13.4%
2003	\$459	\$64	\$523	12.3%
2004	\$498	\$75	\$572	13.0%
2005	\$537	\$82	\$619	13.2%
2006p	\$573	\$85	\$658	12.9%
<i>Annual Percentage Change</i>				
98-06p	5.0%	2.2%	4.6%	
05-06p	6.6%	4.0%	6.3%	

Sources: Dean Runyan Associates and Bureau of Economic Analysis (Travel and Tourism Satellite Accounts; U.S. International Trade in Goods and Services). Preliminary estimates for 2006 based on first three quarters of data.

Travel spending in inflation-adjusted constant (2006) dollars is shown in the graph below. The 2005-2006 annual increase in travel spending in constant dollars was 2.5 percent, following a 4.9 percent increase from 2005 to 2006. Higher prices for gasoline, air travel and accommodations contributed to the more modest growth in constant dollar travel spending.

### U.S. Travel spending in Current and Constant Dollars, 1998-2006p (\$Billions)



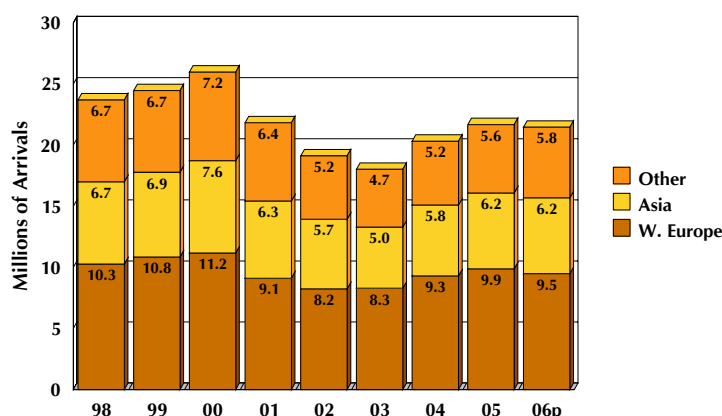
Source: Dean Runyan Associates and Bureau of Economic Analysis. Constant (2006) travel spending estimates derived from BEA constant (2000) dollar estimates. Preliminary estimates for 2006 based on first three quarters of data.

The slower rate of increase in travel spending in 2006 (compared to the two preceding years) is probably a result of a number of factors, including:

- Concerns about air travel security.
- Higher costs of travel relating to airline tickets, gasoline and lodging.
- General economic uncertainties, such as the downturn in the housing market.

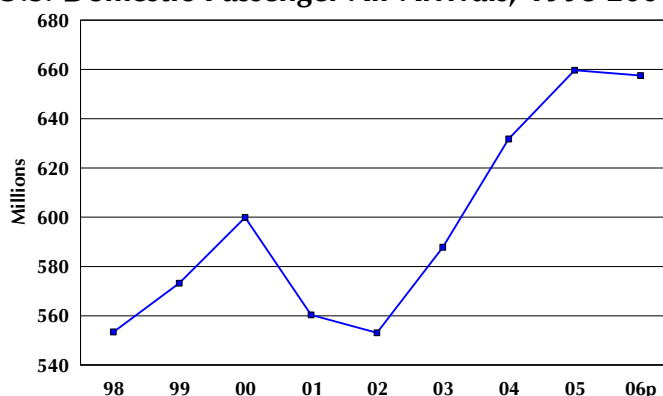
It is noteworthy that the level of both overseas arrivals and domestic air passenger arrivals were essentially unchanged in 2006 over 2005 (based on January through September data). These trends are shown in the following two graphs. The number of overseas arrivals in 2006 was 83 percent of the level in 2000. Domestic air travel flattened after three successive years of strong growth (in the 4.4 to 7.5 percent range).

**Overseas Arrivals to the United States, 1998-2006p**  
(Millions)



Source: U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries. Approximately 90% of all overseas arrivals are visitors. Canada and Mexico are not included (less than 20 percent of all international visitor spending). Preliminary estimates for 2006 based on January through September data.

**U.S. Domestic Passenger Air Arrivals, 1998-2006p**

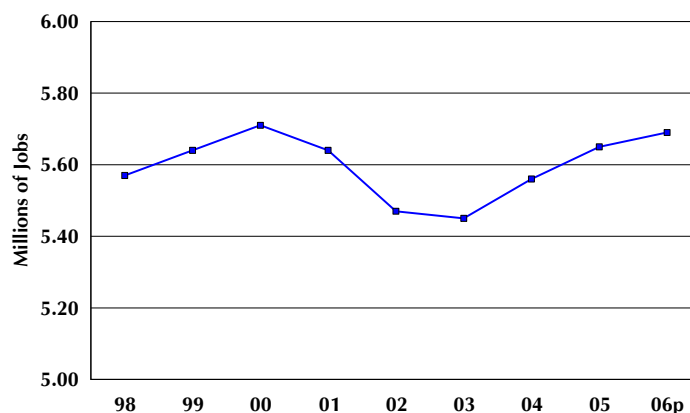


Source: Bureau of Transportation Statistics, U.S. Department of Transportation (T-100 domestic market data). Preliminary estimates for 2006 based on January through August data.



The estimate of direct travel-generated employment in 2006 is based only on the first two quarters of data, but the slower rate of employment growth in 2006 following two years of stronger increases is consistent with the trends on spending and arrivals. Direct travel-generated employment is now at about the same level that it was in the year 2000.

### U.S. Travel-Generated Employment, 1998-2006p (Millions of Jobs)

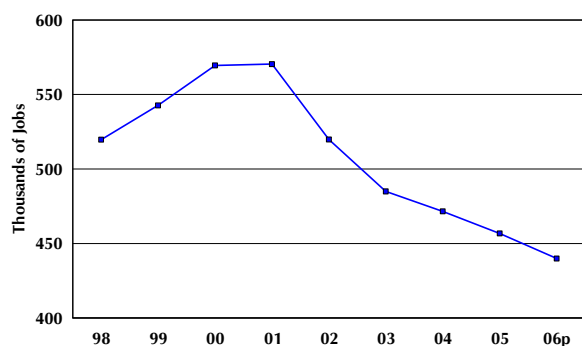


Source: Dean Runyan Associates and Bureau of Economic Analysis (BEA). Preliminary estimate for 2006 based on 2 quarters of data.

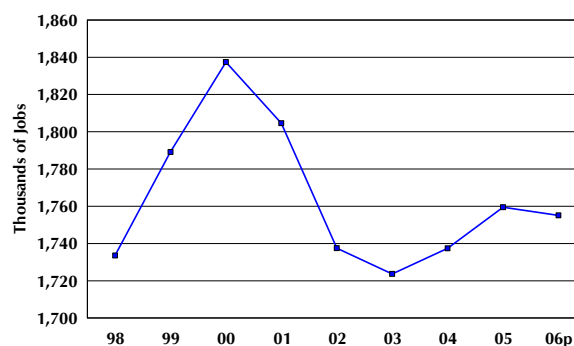
The two industries that have the highest share of travel-generated employment (other than travel agencies) are air transportation and traveler accommodations. Together, travel-generated employment in these two industries comprises about one-third of all direct travel-generated employment. Employment in both of these industries declined from 2005 to 2006. This was the fifth successive year of retrenchment in the airline industry. Accommodations employment is still below the peak attained in 2000, despite growth from 2003 to 2005.

### U.S. Travel-Related Employment, Selected Industries, 1998-2006p

#### Scheduled Air Transportation



#### Traveler Accommodations



Source: Bureau of Labor Statistics (Current Employment Survey). Preliminary estimates for 2006 based on January through October data. These employment figures include some non-travel-generated employment. They should not be directly compared to the BEA employment estimates of travel-generated employment

**California -  
Advertising Effectiveness Research  
Phase 2 Report**



# **California Tourism Advertising Effectiveness & ROI Research**

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## **Phase 2 Report**

**December 2006**

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## BACKGROUND & OBJECTIVES

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California Tourism, a unique public/private partnership, markets the State as a tourist destination. The strategy is to invest in the California brand and the organization has developed advertising that focuses on the coveted *California lifestyle*, to differentiate the State. During 2006, the campaign for visitors was taken to a national level, targeting affluent travelers across the country.

This research was designed to measure the impact of the ad campaign and identify travel related to the advertising. Of course, people will visit California despite promotional efforts. As such, the challenge is to identify the level of visitation and visitors' expenditures which *would not have occurred without the advertising*. This is "incremental travel" which can be attributed to the ad campaign – and the expenditures associated with the incremental travel represent the economic impact from the effort. Overall economic impact is then compared to campaign expenditures to calculate the return on investment.

To assess the campaign in full, the research considers the various steps necessary to influence a potential visitor and generate visitation to California. The diagram below shows (on the left) each step in the decision-making process, and (on the right) the measures used to evaluate campaign effectiveness. Specifically, the advertising has to reach the intended audience, communicate a compelling message, influence the attitudes of the audience relative to California as a travel destination, build interest in visitation and, finally, convince consumers to visit the State.

Influence Process		Measure
Reach	→	Advertising Awareness
Message	→	Creative Evaluation
Influence Attitudes	→	Comparative Image Assessments
Build Interest	→	Comparative Interest in Visitation
Generate Travel	→	Incremental Travel

The initial phase of research measured the first four steps in the process - the success of the campaign in reaching the audience through building interest in visitation. This phase focuses on determining the level of visitation generated by the campaign and what portion of that visitation would *not* have occurred without it.

The objectives of this research included the following:

- **Measure travel to California and determine the incremental travel** attributable to the ad campaign;
- **Determine the economic impact** of this incremental travel;
- **Calculate the return on investment (ROI)** from the campaign;
- **Gauge the impact on each target market group** and measure the contribution toward economic impact from each group;
- **Explore differences in travel and impact** among the various geographic areas to identify the best targets for future efforts;
- **Investigate the role of additional information in creating loyalty and visitation** among those who contacted California tourism;
- **Assess tactical issues** relative to generating the highest level of incremental travel; and
- Based on the findings, **forward conclusions and recommendations** for refining the advertising efforts.

The following report summarizes the key findings from this research. In addition, conclusions and recommendations are forwarded to guide future advertising campaign endeavors.

## METHODOLOGY

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To facilitate tracking changes over time and showing comparisons to past efforts, the methodology for this survey was similar to that used in 2003. An on-line survey allowed participants to see the actual ads for determining advertising awareness. Almost 5000 surveys were completed and were designed to measure performance in several market groups, including:

- **Western Feeder Markets** – five western markets where California tourism focused additional advertising;
- **Opportunity Markets** – California Tourism identified a group of markets with strong potential and targeted with additional advertising;
- **Remaining West** – AZ, CO, ID, NM, MT, NV, OR, UT, WA & WY (**MINUS** Seattle, Portland OR, Salt Lake City, Denver & Phoenix DMA's)
- **California** – in-state residents represent great opportunity and significant travel
- **National** - AL, AR, CT, DC, DE, FL, GA, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MO, MS, NE, NH, NJ, NY, NC, ND, OH, OK, PA, RI, SC, SD, TN, TX, VT, VA, WV, WI (**MINUS** Houston, Dallas, San Antonio, New York City, Chicago DMAs)
- **Web Inquiries & Contacts** – those who requested information from California Tourism

For every group, except for inquirers, SMARI worked with a national vendor to access their e-mail panel of potential respondents to reach potential participants based on specific qualifications of income. Below is the sample size for each group. Once the surveying was complete, the surveys were weighted to be representative of the overall population.

Potential survey participants were sent an invitation and Web-link. If they accepted, the link led to the survey, which was housed on our Web server to allow for monitoring completion rates and quotas.

Minor changes were made to the 2003 survey, a copy of which appears in the Appendix, along with information on the tested advertising. The survey focused on gathering information from participants regarding the *leisure trips* they had taken.

Upon completion of the data collection phase, an SPSS dataset was compiled and used to conduct the analysis. The data will be provided separately. This report summarizes the key findings and includes conclusions and recommendations.

<b>Western Feeder Markets</b>	
<i>In each market 150+ had hh income of \$75K+, with remainder \$50K+</i>	
Seattle	254
Portland	310
Salt Lake City	208
Denver	314
Phoenix	260
<b>Opportunity Markets</b>	
<i>All participants \$75K+</i>	
Texas -Houston, Dallas, San Antonio	533
New York City	587
Chicago	556
<b>In-state</b>	<b>334</b>
<b>Remaining West</b>	<b>261</b>
<b>National</b>	<b>806</b>
<b>Inquirers</b>	<b>574</b>
<b>Total</b>	<b>4997</b>

## THE ADVERTISING CAMPAIGN

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Before evaluating the success of the 2006 ad campaign, it is helpful to address the scope of the campaign and compare this to past efforts. This year the major element of the campaign was a national cable buy of \$4.4 million. This was augmented by a cooperative television effort with Southwest Airlines, which targeted Seattle, Houston, St. Louis and Chicago, at a cost of \$373,000. It was believed that to reach the targeted audience, a national audience was appropriate, as affluent households would be reached nation wide and within California. A very minor print component was included in the campaign. Generally, however, the campaign focused on TV advertising.

The advertising was designed to continue the investment in the California brand and market the State based upon consumers' desire for the coveted California lifestyle. The creative continued to highlight this theme and was similar in style to the advertising which has been used since 2003. The targeted audience was affluent households that earn incomes of \$75K or more.

For purposes of comparison, the 2003 campaign incorporated \$4 million in advertising, which was spent in targeted markets during spring 2003. The 2003 campaign included TV *and* print ads. While the larger share of expenses was invested in TV, print was a much larger component of the 2003 campaign.



## CAMPAIGN EFFECTIVENESS – INITIAL MEASURES

As noted, a dual-phased methodology was used to measure advertising effectiveness. Phase 1 focused on the reach of the advertising, recall among the target audience, and effectiveness of the creative. This year, ad recall was measured while the campaign was being aired via a weekly monitor to gain an accurate measure while recall was fresh. Phase 2, this phase, measures actual travel, though the economic impact and ROI calculations are based on a combination of initial recall and visitation. As such, it is beneficial to review the key findings from Phase 1 relative to the strength of campaign reach and the message before turning to an analysis of visitation.

To influence travel, consumers must first be exposed to the advertising. Levels of recall indicate how many people were aware of the ads. Nationally, 44% of the traveling population or 36 million households recalled the campaign = significant reach. Given that the total budget was just \$4.4 million, the campaign was quite successful. Predictably, recall varied across the market groups, with the highest recall coming from California and the Western Feeder markets. The weakest recall was recorded by the Other Western markets.

**Awareness  
by Target Market Group**

California	55.5%
Western Feeder	52.5%
Opportunity Markets	43.6%
Remaining National	42.0%
Other Western	40.0%

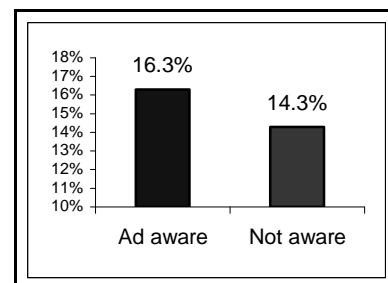
The campaign was also evaluated relative to the strength of its messaging. The respondents were shown the advertising and asked to rate it on a 5-point scale, where higher ratings are better. Here, a score of 3.75 or higher is *excellent* and 3.5 or higher is *good*. In this context, the advertising generally earned good ratings, stronger than those earned by the competition.

**Ratings of Campaigns**

Ratings for...	CA	TX	FL	AZ
These ads make you more interested in visiting this state	3.4	3.0	3.2	3.4
These ads show experiences & places you are interested in	3.5	3.1	3.3	3.4
These ads show a unique place w/a diverse & desirable lifestyle	3.6	3.1	3.3	3.3
Average	3.5	3.1	3.3	3.4

The fact that the campaign had broad reach and a strong message is encouraging. The more positive finding from Phase 1 was the impact of the campaign on consumers' attitudes and travel behavior. Those who saw the advertising were more likely to name California their preferred leisure travel destination.

**California as Preferred  
Travel Destination**



In addition, awareness spurred consumers to take action and learn more about the State. Among those who saw the advertising:

- 5.4 Million gathered information about a trip to California
- 4.1 Million visited a California Website (including the State site and specific destination sites)
- 550,000 Called an 800 number for more information (again, perhaps including specific CVB or attraction sites)

Initial measures of the ad campaign were positive and generated optimism about the final results. Ultimately, however, the goal was to convince people to visit California and to generate trips which would not have otherwise occurred. Meeting these objectives would mean the generation of additional economic impact and a positive ROI.

This year several specific geographic market areas were included, and performance varied significantly between areas. The best way to review the effectiveness of the advertising is to review each area separately. Once this is done, the report turns to an overview of economic impact and ROI.

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## Western Feeder Markets

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A key traditional target for California has been a group of western feeder markets -- Denver, Phoenix, Portland, Seattle, and Salt Lake City -- generally strong markets for the State. Among these consumers, California was the most popular destination.

Relative to established markets, it is especially important to explore the popularity of various destinations for leisure travel during 2006. Some interesting patterns in leisure visitation are noted. While California was the most visited state, Colorado earned a strong share of trips due to a higher average number of visits. This competitive situation highlights the need for California to continue advertising to maintain share in these markets.

### Visitation to Competitive States Western Feeder Markets

State	% Visited during 2006	Average # Trips	Share of Trips
California	41.3%	2.1	31%
Colorado	20.0%	2.8	20%
Nevada	28.0%	1.7	17%
Utah	13.7%	2.2	11%
Texas	10.1%	1.6	6%
Florida	13.0%	1.3	6%
New York	10.4%	1.4	5%
Hawaii	12.1%	1.1	5%

The respondents were asked about their most recent trip to the State. Those in the Western Feeder markets were more likely to report a recent trip in the fall. Spring was also a popular time for visitation. People were less likely to visit during the summer and winter months.

### Visited California in...

Season	Other West	Index
Winter (December/January/February)	9.9%	84
Spring (March/April/May)	20.6%	116
Summer (June/July/August)	32.2%	94
Fall (September/October/November)	37.4%	101

In terms of travel planning, most people in these markets planned their trips one to four months in advance. There was seemingly a segment that decided to visit just a few weeks in advance, but most took longer to plan their trips. While these markets are relatively proximate to the State, spur of the moment trips were apparently rare.

#### Started Planning Trip to California

Timeframe	Western Feeder	Index
Less than one week	3.1%	85
One to two weeks	7.2%	104
Two to three weeks	9.3%	99
Three to four weeks	11.8%	99
One to two months	30.1%	103
Three to four months	21.3%	99
More than 4 months in advance	16.9%	100

Time stayed in the area by these visitors was slightly below average, perhaps due to their proximity. However, many stayed longer than a weekend, which is probably why the planning cycle was longer. The travel party size was average and slightly more traveled with children.

Specifics	Western Feeder	Overall Average
Number of nights	4.6	4.9
People on trip	2.9	2.8
Kids under 18 on trip	0.7	0.5
% Of trips with children under 18	27.4%	21%

The behavior of this group was fairly average relative to paid lodging, at about 70%.

Used Paid Lodging	Western Feeder	Overall
Yes	69.6%	67.1%
VFR	37.3%	39.4%

Visitation seemed concentrated in a few areas, with Southern California sites being the most popular.

Visitors from the Western Feeder markets reported relatively low levels of visitation to San Francisco and other cities. This may relate to air fares or special deals.

#### Destinations in California

	Western Feeder	Overall	Index
Los Angeles	32.8%	31.9%	103
San Diego	31.4%	28.7%	109
San Francisco	28.7%	33.2%	86
Anaheim/Orange County	23.8%	19.8%	120
Other	14.5%	17.8%	82
Sacramento	10.4%	11.0%	94
Palm Springs	9.6%	12.3%	78
Monterey	6.5%	9.8%	67
Lake Tahoe	5.4%	12.0%	45

A popular pursuit among Western Feeder visitors surrounded outdoor activities. Over half the respondents reported enjoying these sorts of activities, a figure much higher than the average. They were also more likely to report visiting amusement and theme parks. While these visits were of average duration, this group reported participating in more activities – on average, 2.5, as compared to 2.2 activities among visitors overall.

#### Western Feeder Visitors' Activities

Activities	Western Feeder	Index to Average
Shopping	62.0%	98
Outdoor activities	51.6%	112
Visit friends or relatives	50.9%	99
Take scenic drives / driving tours	42.6%	105
Visit historic sites / museums	29.1%	104
Attend special events	27.5%	100
Visit state / national parks	22.8%	105
Visit amusement / theme parks	20.8%	113
Other	11.4%	109
Visit wineries	9.6%	97
Attend sports events	8.0%	89

On a positive note, Western Feeder market visitors reported trip expenditures of \$1,524. Despite shorter stays and smaller travel parties, these visitors spent more. Expenditures for lodging, food and transportation pushed up the overall total.

Expenditures for...	Western Feeder	Overall
Lodging/Accommodation	\$405	\$362
Meals/Food/Groceries	\$284	\$253
Entertainment/Attractions	\$173	\$146
Shopping	\$197	\$204
Entertainment, e.g., shows/theater/concert	\$48	\$48
Transportation, e.g., gas/rental/flight	\$372	\$330
Other	\$45	\$36
<b>Total</b>	<b>\$1,524</b>	<b>\$1,379</b>
Per-person expenditures	\$529	\$497
Per-person/per day	\$114	\$101

The demographic profile of Western Feeder visitors is quite similar to visitors as a whole, with few significant differences. These visitors were generally:

- Married and Caucasian with at least a college degree
- Slightly younger than visitors overall (46 years of age versus 47)
- Earn lower household incomes (\$90,000 vs. \$98,000)

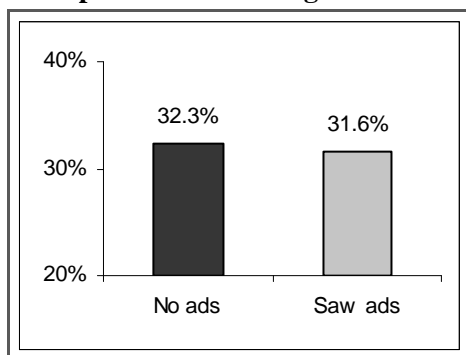
The impact of the campaign is measured via influenced travel *and* incremental travel. Influenced travel represents the trips taken by those who were exposed to the advertising. Incremental travel is visitation that occurred only as a result of exposure to the advertising. One and one-half million households in these markets were aware of the advertising. Among these, 475,000 took qualified trips to California, (trips that occurred after the ad campaign began). Given the average number of trips, a total of 940,000 trips were made by the aware households – these represent *influenced* trips.

#### **Influenced Visitation Western Feeder Markets**

Population	2,861,262
Aware	52.50%
Aware HHs	1,502,162
Level of travel among aware	31.60%
Influenced HHs	474,683
Average number of trips	2.0
Influenced trips	949,367

Given that the Western Feeder markets are strong, established markets for California Tourism, their level of visitation is already strong. Unfortunately, this year, there is no statistical difference in visitation between those who were exposed to the advertising versus those who were not. This indicates a lack of incremental travel from these markets.

#### **Impact of Advertising on Travel**



#### **Incremental Travel Western Feeder Markets**

	<b>Western Feeder</b>
Targeted HHs in Market	2,861,262
Awareness %	52.5%
Aware HHs	1,502,162
Increment of travel	0.00%
Incremental HHs traveling	0
Incremental Visitors	0

The Western Feeder markets are well established for California, and the level of travel is high. The findings reinforce this fact, indicating that approximately 950,000 trips were made by those with advertising awareness. Nonetheless, in these markets, the advertising seems to be reinforcing travel behavior rather than generating additional trips. This should be expected given the strength of these markets, but suggests that expanded focus on the advertising is a good strategy.

## Other Western Markets

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While California Tourism has focused resources on key Western Feeder markets, the west, in general, represents a major source of visitation to the State. As with the Western Feeder markets, California was the most popular destination among these Western markets, and visitors reported making multiple visits. However, the frequency of visitation to Colorado was higher, thus increasing its overall share of travel (although it was still below that for California). Nevada and Texas were the other key competitors for these potential visitors.

### Visitation to Competitive States Other Western Markets

State	% Visited during 2006	Average # Trips	Share of Trips
California	44.8%	2.1	29%
Colorado	21.1%	3.1	20%
Nevada	26.4%	2.0	17%
Texas	18.8%	2.3	13%
Utah	14.9%	1.9	9%
Florida	14.6%	1.2	5%
New York	10.0%	1.3	4%
Hawaii	9.2%	1.2	3%

In terms of time of visitation, most of the visits occurred in the fall or summer months. Because these visitors took multiple trips, they were likely in the State over the past few months.

### Visited California in...

Season	Other West	Index
Winter (December/January/February)	5.9%	60
Spring (March/April/May)	19.1%	93
Summer (June/July/August)	32.4%	101
Fall (September/October/November)	42.7%	114

Travelers from the Other Western markets either took their time planning a trip - planning more than three months in advance - or they took *last-minute* trips, planning a few weeks beforehand. We see a mix of short getaways and more substantial vacations, which were perhaps influenced by proximity.

#### Started Planning Trip to California

Timeframe	Other West	Index
Less than one week	8.1%	116
One to two weeks	9.0%	107
Two to three weeks	6.7%	77
Three to four weeks	11.0%	86
One to two months	24.3%	90
Three to four months	24.8%	120
More than 4 months in advance	15.7%	110

Visitors from these markets stayed slightly longer than the average, with a mix of trip types. About half were 3 days or less, and 20% were 7 days or longer. As with the Western Feeder markets, these travel parties were of average size, and slightly more traveled with kids.

Specifics	Other West	Overall Average
Number of nights	4.8	4.7
People on trip	2.9	2.8
Kids under 18 on trip	0.6	0.5
% Of trips with children under 18	23.5%	21.6%

These visitors were slightly less likely to use paid lodging and to stay with family or friends, making a slightly higher percentage of day trips.

Used Paid Lodging	Other West	Overall
Yes	64.7%	67.1%
VFR	37.5%	39.4%

These visitors traveled several California destinations including San Francisco and LA. Yet, they were less likely than others to visit San Francisco. They were more likely to choose Orange County and San Diego.

#### Destinations in California

	Other Western	Overall	Index
Los Angeles	32.0%	31.9%	100
San Diego	29.3%	28.7%	102
Anaheim/Orange County	23.3%	19.8%	118
San Francisco	22.0%	33.2%	66
Other	17.3%	17.8%	97
Sacramento	14.7%	11.0%	134
Palm Springs	11.3%	12.3%	92
Lake Tahoe	9.3%	12.0%	78
Monterey	5.3%	9.8%	55



Note that the most prevalent activity among these markets was visiting friends or relatives. Shopping was also popular, but not as prevalent as the average. As with the Western Feeder markets, these visitors reported enjoying a greater number of activities - an average of 2.5, compared to 2.2 for visitors overall.

#### Activities – Other Western Markets

Activities	Other Western Markets	Index to Average
Visit with friends or relatives	57.0%	111
Shopping	56.2%	89
Take scenic drives or driving tours	39.3%	97
Outdoor activities	38.2%	83
Attend special events	24.3%	88
Visit historic sites or museums	22.1%	79
Visit state or national parks	19.9%	91
Visit amusement or theme parks	17.3%	94
Attend sporting events	12.5%	141
Visit wineries	12.1%	122
Other	11.8%	112

While visitors from the Western Feeder markets spent more than the average during their trips, this was not the case for Other Western visitors. Their spending was average, actually spending a bit less per-person per-day.

Expenditures for...	Other Western Markets	Overall
Lodging/Accommodation	\$357	\$362
Meals/Food/Groceries	\$260	\$253
Entertainment/Attractions	\$133	\$146
Shopping	\$212	\$204
Entertainment, e.g., shows/theater/concert	\$31	\$48
Transportation, e.g., gas/rental/flight	\$346	\$330
Other	\$24	\$36
<b>Total</b>	<b>\$1,363</b>	<b>\$1,379</b>
Per person expenditures	\$474	\$497
Per person/per day	\$99	\$101

The demographic profile of visitors from the Other Western markets was somewhat different:

- Much more likely to be married and to report lower levels of education
- Older than visitors overall (51 years of age versus 47)
- Earn lower household incomes (\$94,000 versus \$98,000)

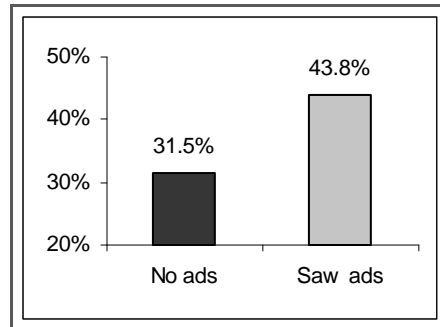
The impact of the campaign is measured in terms of both *influenced* travel and *incremental* travel. Influenced travel represents the trips taken by those who were exposed to the advertising. Incremental travel represents visitation that occurred only as a result of the advertising. Over 3 million ad aware households in these markets, and 1.4 million ad-aware respondents traveled. With an average of 1.9 trips, this represents almost 2.7 million influenced trips.

#### **Influenced Visitation Other Western Markets**

Population	7,908,571
Aware	40%
Aware HHs	3,163,428
Level of travel among aware	44.9%
Influenced HHs	1,420,379
Average number of trips	1.9
Influenced trips	2,698,721

It is also quite positive to find that the level of travel among those with advertising awareness was significantly higher than those without awareness. As such, in these markets, approximately 390,000 additional households traveled for a total of 580,000 *incremental* trips.

#### **Impact of Advertising on Travel**



	<b>Other Western Markets</b>
Targeted HHs in Market	7,908,571
Awareness %	40%
Aware households	3,163,428
Increment of travel	12.30%
Incremental HHs traveling	389,102
Average Trips	1.5
Incremental Trips	583,653
Incremental Visitors	1,692,592

While it is difficult to generate additional travel from the Western Feeder markets, this is not the case in Other Western markets, as they tend to travel California. Still, the advertising increased travel significantly. These markets represent strong potential for California and perhaps should be the focus of additional marketing. A review of visitation identified several DMA's for which travel was high, including Las Vegas, Tucson, Medford and Bend, Oregon, and Idaho Falls and Boise, Idaho.

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## Opportunity Markets

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As California Tourism increased its budget and began to focus on a wider geographic area, several key markets were identified as providing the best opportunities for generating additional visitation. These Opportunity markets have large populations and travel heavily. They include New York City, Chicago, and three markets in Texas – Dallas, Houston and San Antonio.

While in many of the markets, California was the most popular destination, this was not the case with the Opportunity markets. New York, Texas and Florida were all more popular, as California garnered just 12% of the total travel. This was due to both lower levels of visitation and fewer repeat trips. Distance obviously had an impact, but for these markets, California faces a much more difficult competitive situation.

### Visitation to Competitive States Opportunity Markets

State	% Visited during 2006	Average # Trips	Share of Trips
New York	26.8%	2.8	26%
Texas	25.2%	2.7	23%
Florida	35.3%	1.6	20%
California	24.4%	1.5	12%
Nevada	18.5%	1.4	9%
Colorado	9.7%	1.4	5%
Hawaii	6.4%	1.1	2%
Utah	3.9%	1.2	2%

Distance also played a role in the timing of the most recent visit. While the closer markets traveled repeatedly and were therefore more likely to have taken a recent trip, this was not the case with the Opportunity markets. Their trips were more evenly spread throughout the year, although their summer visitation was below average.

### Visited California in...

Season	Opportunity	Index
Winter (December/January/February)	10.5%	107
Spring (March/April/May)	20.9%	102
Summer (June/July/August)	28.8%	90
Fall (September/October/November)	39.7%	106

Predictably, visitors from the Opportunity markets took more time to plan their trips. Almost all their trips were planned at least a month in advance, with over one-third planning three months or more beforehand. While in other markets advertising can generate a quick return in terms of trips, the advertising in these markets should run at least three months before the designated travel season. This may not be the summer season, as travel was a bit lower during the summer months.

### Started Planning Trip to California

Timeframe	Opportunity Markets	Index
Less than one week	5.2%	74
One to two weeks	7.6%	90
Two to three weeks	8.9%	103
Three to four weeks	12.7%	100
One to two months	27.0%	100
Three to four months	21.0%	102
More than 4 months in advance	16.5%	115

The pattern of visitation from the Opportunity markets differed a bit from the others. The average stay was just over the average – and just 20% of the trips were the traditional 2-day getaway. Another 15% were 3 days, and 50% were between 4 and 7 days. Fifteen percent of the trips were longer than a week, longer than reported for closer markets. The travel party size for this group was average and less than a quarter included kids.

Specifics	Opportunity Markets	Overall Average
Number of nights	4.8	4.7
People on trip	2.6	2.8
Kids under 18 on trip	0.5	0.5
% Of trips with children under 18	23.60%	21.6%

These visitors were slightly more likely to use paid lodging and less likely to stay with family or friends.

Used Paid Lodging	Opportunity Markets	Overall
Yes	70.0%	67.1%
VFR	32.5%	39.4%

Visitors from the Opportunity markets generally visited major California destinations - LA, San Francisco and San Diego. One way to generate additional repeat visitation might be to specifically promote less frequently visited areas.

### California Destinations Visited

	Opportunity Markets	Overall	Index
Los Angeles	40.9%	31.9%	128
San Francisco	40.3%	33.2%	121
San Diego	26.2%	28.7%	91
Anaheim/Orange County	19.3%	19.8%	97
Other	10.3%	17.8%	58
Sacramento	8.7%	11.0%	79
Palm Springs	7.0%	12.3%	57
Lake Tahoe	5.8%	12.0%	48
Monterey	3.8%	9.8%	39

Visitors from these markets were less likely to visit California to see friends or relatives, but were more likely to enjoy shopping, outdoor activities, historic sites and wineries. These visitors also reported enjoying an average of 2.6 activities, as compared to 2.2 among visitors overall.

#### Activities – Opportunity Markets

Activities	Opportunity Markets	Index to Average
Shopping	65.4%	103
Outdoor activities	48.8%	106
Visit with friends or relatives	48.2%	94
Take scenic drives / driving tours	40.2%	99
Visit historic sites or museums	31.4%	112
Attend special events	25.8%	93
Visit state or national parks	20.3%	93
Visit amusement / theme parks	18.9%	103
Other	11.3%	108
Visit wineries	10.8%	109
Attend sporting events	7.5%	85

Given that these trips were a bit longer than average and included more activities, it is not surprising that trip expenditures were higher. In addition, given distance, these visitors spent substantially more on transportation. They also spent much more on lodging, meals and entertainment.

Expenditures for...	Opportunity Markets	Overall
Lodging/Accommodation	\$458	\$362
Meals/Food/Groceries	\$327	\$253
Entertainment/Attractions	\$180	\$146
Shopping	\$227	\$204
Entertainment, e.g., shows/theater/concert	\$63	\$48
Transportation, e.g., gas/rental/flight	\$424	\$330
Other	\$48	\$36
<b>Total</b>	<b>\$1,729</b>	<b>\$1,379</b>
Per person expenditures	\$658	\$497
Per person/per day	\$138	\$101

The demographic profile of Opportunity market visitors was average in many ways:

- Average in terms of marital status, ethnicity and age
- Better educated, with over 85% having at least a college degree
- Earn higher household incomes (\$114,000 versus \$98,000)

As noted, while the Opportunity markets represent just a few geographic areas, their populations are large. There were almost 2.0 million ad aware households in these markets, with 465,000 taking 745,000 qualified trips to California, (trips that occurred after the advertising campaign began). Overall, about 1.2 million qualified trips were taken, with 63% being influenced trips. This finding reinforces the importance of advertising in these markets.

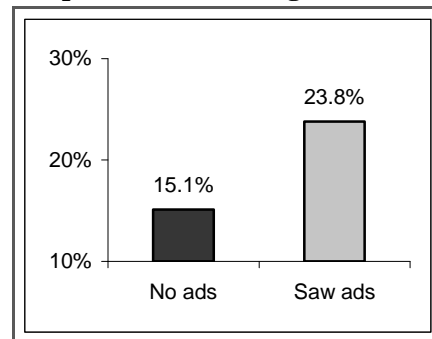
### Influenced Visitation Opportunity Markets

Population	4,486,440
Aware	44%
Aware HHs	1,956,088
Level of travel among aware	23.80%
Influenced HHs	465,549
Average number of trips	1.6
Influenced trips	744,878

The key to evaluating the potential of these markets is determining whether the advertising generated travel that would not have otherwise occurred. In fact, the level of travel among those who saw the advertising was substantially higher than those without awareness, with an increment of 8.7 points.

Given the level of awareness and the incremental travel, there were 170,000 incremental traveling households, representing 187,000 incremental trips equaling 440,000 incremental visitors.

### Impact of Advertising on Travel



The level of incremental travel from these markets was substantial, although not as high as from Other Western markets. Here, the competitive situation was strong, which makes it more difficult to attract visitors. Still, these markets obviously offer potential and it is likely that additional advertising over time will increase visitation.

	Opportunity Markets
Targeted HHs in Market	4,486,440
Awareness %	44%
Aware households	1,956,088
Increment of travel	8.70%
Incremental HHS traveling	170,180
Average Trips	1.1
Incremental Trips	187,198
Average visitors	2.6
Incremental Visitors	442,467

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## **In-state Market – California Residents**

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California residents represent a large market of potential travelers, with over 11.5 million households. With a national campaign, in-state residents became part of the target market. California residents need to be reminded to travel their state rather than other destinations. At the same time, California residents tend to be quite proud of their state and are likely to visit other parts of California regardless of advertising.

The popularity of the State is evident when visitation patterns are considered, with over 60% of the residents reporting a leisure trip within the State during 2006. California was, by far, the most popular destination, though 12.6% of the residents indicated not taking a leisure trip to any of these states. Nevada was the only close competitor, with 45% visiting this state. Note that two of the more distant states - Florida and New York - were more popular than nearby options.

When the average number of trips is considered, the good news is that many of the residents traveled within the State and reported taking multiple trips. This information can be combined to measure the share of trips that each state received (within this competitive set.) Within these states, over 50% of the trips residents took were within California, with an additional 25% taken to Nevada. None of the other states garnered a large share of trips.

### **Visitation to Competitive States – In-state**

<b>State</b>	<b>% Visited during 2006</b>	<b>Average # Trips</b>	<b>Share of Trips</b>
California	62.0%	3.2	52.7%
Nevada	44.6%	2.1	24.8%
New York	15.3%	1.1	4.3%
Florida	15.0%	1.3	5.3%
Hawaii	12.9%	1.2	3.9%
Texas	9.3%	1.5	3.8%
Colorado	8.1%	1.3	2.8%
Utah	6.6%	1.3	2.3%

The survey asked people about their most recent trip to the State. Predictably, given the number of trips taken within the State, almost half of in-state visitors reported travel during the fall. They were much more likely to report a recent trip, as compared to visitors overall.

### **Visited California in...**

<b>Season</b>	<b>Residents</b>	<b>Index</b>
Winter (December/January/February)	6.2%	55
Spring (March/April/May)	17.1%	80
Summer (June/July/August)	29.5%	89
Fall (September/October/November)	47.3%	138

As might be expected, residents reported a much shorter planning cycle, as almost half indicated planning their trip a month or less in advance. The average planning time for residents was 50 days, compared with 63 for visitors overall.

#### Started Planning Trip to California

Timeframe	Residents	Overall
Less than one week	11.3%	184
One to two weeks	9.2%	110
Two to three weeks	10.6%	126
Three to four weeks	16.1%	131
One to two months	26.4%	96
Three to four months	17.1%	82
More than 4 months in advance	8.2%	54

While trips taken by residents were shorter compared to all visitors, they still averaged 4.0 nights. The travel party size was similar, at 2.6 people, and about 20% included children. This number is quite low compared to the findings of other research conducted by SMARI, indicating that California garnered more adult-only trips.

Specifics	Residents	Overall Average
Number of nights	4.0	4.9
People on trip	2.6	2.8
Kids under 18 on trip	0.5	0.5
% Of trips with children under 18	20.2%	21%

California residents were just as likely as other visitors to use paid lodging, although they were also just as likely to stay with family or friends.

Used Paid Lodging	Residents	Overall
Yes	68.8%	67.1%
VFR	39.4%	39.4%

Due to multiple trips, residents reported higher visitation to most areas of California, though lower levels of visitation to LA. In part this is because many are from LA, but even non-LA residents report slightly lower visitation to the city.

#### Destinations in California

	Residents	Overall	Index
San Francisco	37.2%	34.0%	109
San Diego	32.9%	26.5%	124
Los Angeles	29.0%	32.8%	88
Anaheim/Orange County	22.7%	16.8%	135
Other	20.8%	16.7%	124
Palm Springs	16.9%	10.8%	156
Lake Tahoe	16.9%	11.5%	147
Monterey	14.5%	9.3%	156
Sacramento	12.6%	10.2%	124



Residents that traveled the State enjoyed different activities than travelers at large. They were more likely to attend sports events and visit state or national parks, and less likely to participate in other activities – especially shopping. While residents trips were somewhat shorter than average, they reported participating in more activities - an average of 2.8 activities, compared to 2.2 for all visitors.

#### Activities – In-state Visitors

Activities	Residents	Index to Average
Shopping	55.5%	84
Visit with friends or relatives	48.6%	94
Outdoor activities	45.2%	96
Take scenic drives or driving tours	38.7%	93
Attend special events	27.1%	95
Visit historic sites or museums	26.7%	93
Visit state or national parks	24.0%	111
Visit amusement or theme parks	18.2%	99
Attend sporting events	13.0%	168
Other	11.3%	114
Visit wineries	9.2%	97

Residents spent less than other visitors, primarily due to shorter trips and lower transportation expenditures. The per-person/per-day expenditures were actually a bit higher. Keeping residents in the State does pay off in terms of the trips they take and the money they spend.

Expenditures for...	In-state Residents	Overall
Lodging/Accommodation	\$321	\$361
Meals/Food/Groceries	\$211	\$253
Entertainment/Attractions	\$135	\$145
Shopping	\$173	\$205
Entertainment, e.g., shows/theater/concert	\$54	\$47
Transportation, e.g., gas/rental/flight	\$226	\$340
Other	\$29	\$39
<b>Total</b>	<b>\$1,149</b>	<b>\$1,390</b>
Per person expenditures	\$435	\$496
Per person/per day	\$109	\$101

Demographically residents who traveled the State were:

- Less likely to be married - more likely to be divorced / single
- More likely (than average) to be of Asian, Hispanic or mixed ethnicity
- Earn lower household incomes (\$88,000 versus \$98,000)

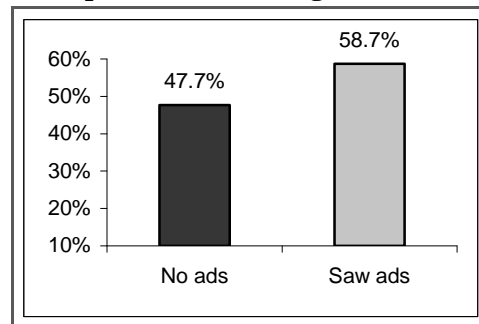
Among residents, 3.7 million households traveled, taking over 10 million influenced trips. This large number is representative of the State's huge population and the tendency of residents to take multiple trips around their state.

#### Influenced Visitation California Residents

Population	11,502,870
Aware	55.50%
Aware HHs	6,384,093
Level of travel among aware	58.7%
Influenced HHs	3,747,463
Average Trips	2.8
Total Trips	10,492,895

Yet, with residents it can be difficult to generate *incremental* travel, as they are often already heavy users. For this campaign, however, the advertising did create impact, with an 11-point difference in the level of travel among those with ad awareness. This represents over 700,000 more households traveling the State. As shown in the influenced travel, residents tended to take multiple trips. Among those that saw the advertising, slightly more trips were made, resulting in 772,000 incremental trips.

#### Impact of Advertising on Travel



#### Incremental Travel California Residents

	Residents
Targeted HHs in Market	11,502,870
Awareness %	56%
Aware households	6,384,093
Increment of travel	11.00%
Incremental HHS traveling	702,250
Additional Trips	1.1
Incremental Trips	772,475
Incremental Visitors	1,825,851

California residents represent an important target for state tourism efforts. While many will travel regardless of advertising, the ads generated more travel and helped keep more travelers in the State. Given the State's large population, the incremental impact was quite substantial and is certainly worth maintaining and growing.

## Non-targeted National Market

This year's ad campaign was national in scope. As such, while specific markets were targeted for advertising, the actual ads reached a much broader audience. Consequently, it is useful to review the behavior of those in the National, non-targeted areas.

These markets were not targeted and visitation from these areas was lower than recorded for other markets. Less than a quarter of respondents reported visiting California; the total share of travel was just 15%. Florida was the most popular destination, followed by NY and Texas.

As with other more distant markets, visitation was less recent. Summer was the most popular season; these visitors were more likely to visit during spring and winter months.

### Visitation to Competitive States Non-target National

State	% Visited during 2006	Average # Trips	Share of Trips
Florida	30.6%	1.8	34.4%
New York	19.1%	2.0	23.9%
Texas	11.0%	1.7	11.5%
California	12.4%	1.5	11.5%
Nevada	10.8%	1.4	9.0%
Colorado	7.8%	1.3	6.0%
Hawaii	3.0%	1.2	2.1%
Utah	2.1%	1.2	1.5%

### Visited California in...

Season	National	Index
Winter (December/January/February)	13.0%	132
Spring (March/April/May)	22.2%	108
Summer (June/July/August)	34.6%	108
Fall (September/October/November)	30.1%	81

Again, with distance, the travel planning cycle was longer, with most planning at least one to two months in advance and many even further ahead. Advertising aimed toward these markets should be timed earlier than it is for more proximate markets.

### Started Planning Trip to California

Timeframe	National Non-target	Overall
Less than one week	5.1	73
One to two weeks	8.3	98
Two to three weeks	8.1	93
Three to four weeks	11.8	92
One to two months	28.0	104
Three to four months	20.9	101
More than 4 months in advance	16.5	115

When people from these areas visited, they tended to stay longer. About a quarter were short trips of 2 nights or less, and half were between 3 days and a week, with the final quarter being a week or longer. The size of their travel parties was average.

Specifics	National	Overall Average
Number of nights	5.1	4.9
People on trip	2.8	2.8
Kids under 18 on trip	0.4	0.5
% Of trips with children under 18	20.30%	21%

The pattern of accommodations usage was similar to all other markets, with about two-thirds using paid accommodations, and 40% staying with family or friends.

As with the Opportunity markets, California visitation was concentrated in San Francisco and LA. Visitation to other areas was comparatively low, compounded by the fact that these visitors made fewer trips to the State.

Used Paid Lodging	Residents	Overall
Yes	66.3%	67.1%
VFR	40.4%	39.4%

#### Destinations in California

	National Non-target	Overall	Index
San Francisco	36.0%	33.2%	108
Los Angeles	35.0%	31.9%	110
San Diego	21.0%	28.7%	73
Other	14.0%	17.8%	79
Lake Tahoe	10.0%	12.0%	83
Anaheim/Orange County	9.0%	19.8%	45
Sacramento	8.0%	11.0%	73
Monterey	8.0%	9.8%	82
Palm Springs	7.0%	12.3%	57

A key reason for trips taken by this audience was to visit friends or relatives; resulting in the participation of fewer activities - an average of 2.0 activities, compared to 2.2 for all visitors. Shopping was also popular, as were outdoor activities and scenic drives.

Activities	National	Index to Average
Shopping	69.5%	109
Visit with friends or relatives	52.0%	101
Outdoor activities	47.8%	104
Take scenic drives / driving tours	42.3%	104
Visit historic sites or museums	29.9%	107
Attend special events	29.3%	106
Visit state or national parks	21.3%	98
Visit amusement or theme parks	18.3%	99
Other	9.1%	87
Visit wineries	9.1%	92
Attend sporting events	6.3%	71

These visitors' expenditures were average across the board, totaling about \$1400. The most money was spent on lodging and transportation, followed by food and shopping.

Expenditures for...	National Non-targeted	Overall
Lodging/Accommodation	\$359	\$361
Meals/Food/Groceries	\$253	\$253
Entertainment/Attractions	\$144	\$145
Shopping	\$207	\$205
Entertainment, e.g., shows/theater/concert	\$46	\$47
Transportation, e.g., gas/rental/flight	\$353	\$340
Other	\$42	\$39
<b>Total</b>	\$1,404	\$1,390
Per person expenditures	\$495	\$496
Per person/per day	\$96	\$101

Demographically these National, non-targeted visitors to California were:

- Married, Caucasian and about a quarter had children living at home
- Have a high level of education, with over 80% having at least a college degree
- Earn higher household incomes (\$113,000 versus \$98,000)

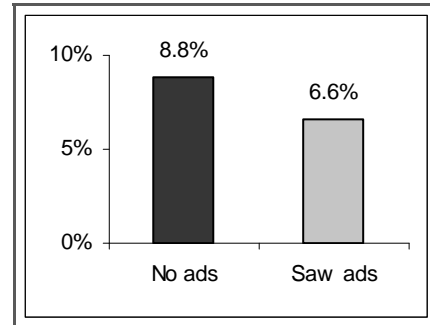
These markets comprise a large population, but awareness was fairly low. Additionally, travel to California was low. Still, over 7.5 million aware households generated 500,000 traveling households and over 750,000 influenced trips.

#### Influenced Visitation - National

Population	30,035,843
Aware	25.40%
Aware HHs	7,629,104
Level of travel among aware	6.60%
Aware HHs traveling	503,521
Average # trips	1.5
Influenced trips	755,281

These markets were not identified as offering strong potential, but received advertising as part of the national cable buy. No extra advertising/marketing was targeted to these consumers. As such, the advertising failed to generate incremental travel.

#### Impact of Advertising on Travel



#### Incremental Travel – National

	National
Targeted HHs in Market	30,035,843
Awareness %	25.40%
Aware households	7,629,104
Increment of travel	0
Incremental HHS traveling	0
Incremental visitors	0

These diverse markets are generally quite a distance from California. While the population base is large, it is dispersed, making targeting more difficult. The national cable buy reached this audience and influenced some travel. Still, without a more targeted effort, the ads did not generate incremental travel. Over time, these markets may begin to generate trips. In the short term, however, better targets exist for California Tourism.

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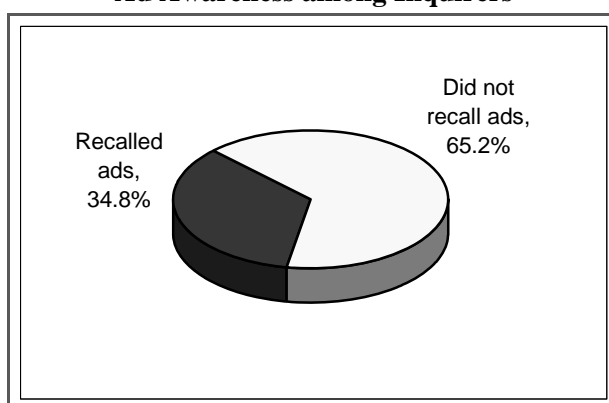
## CALIFORNIA INQUIRIES

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This research measures the impact of the advertising by evaluating behavior among the target population. As such, a random sample of people in the target markets was surveyed to provide an overview of the impact of the advertising. It does not explore the impact of all the marketing efforts. California Tourism also influences consumers via its Website and printed travel guide. These people are represented via the contacts that request information from the tourism office. We review their behavior for two reasons. First, as mentioned, these people represent another way in which the marketing influences travel. Second, for some people requesting information is a second step after seeing the advertising. In this case, the request for information represents another step in the “customer relationship.” Understanding the behavior of inquirers can help California Tourism find ways to create customer loyalty and further influence travel behavior.

About a third of those who requested information recalled seeing California Tourism advertising. While this means that the ads did generate inquiries – the majority of the information requesters were already considering a visit to California.

**Ad Awareness among Inquirers**



The geographic distribution of inquirers shows an interesting pattern. Compared to the population overall, inquirers were most likely to come from the Western Feeder markets, and then from the remaining National markets. Californians and those in the Opportunity markets were the least likely to be requesters. The prevalence of requesters from the Western Feeder markets is likely due to concentrated advertising which has run over time in these markets. This supposition is supported by the fact that an even higher percentage of inquirers from the Western Feeder markets saw the advertising, which also seemed to spur California residents to request information.

	Population	Inquirers	Index
California	20%	11%	53
Western Feeder Markets	5%	9%	179
Other Western	14%	13%	96
Opportunity	8%	4%	56
Remaining National	53%	63%	118

### Comparison of Inquirers by Advertising Awareness

	No Ads Index	Ads Index
California	10	13
Western Feeder Markets	7	15
Other Western	13	13
Opportunity	5	5
Remaining National	65	54

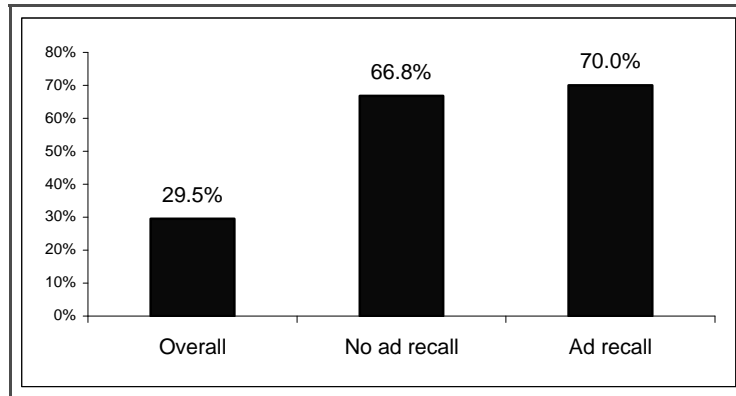
The demographic profile of those who requested information differs from the target audience overall. Information requesters (inquirers) reported having less education, a lower level of income and they were older.

	Inquirers	Target Audience
<b>Marital Status</b>		
Married	70.9%	69.2%
Divorced/Separated	11.3%	11.0%
Widowed	2.3%	2.0%
Single/never married	15.5%	17.8%
<b>Education</b>		
High school or less	7.5%	3.0%
Some College/Tech. school	27.0%	22.3%
College graduate	41.0%	42.5%
Post graduate degree	24.5%	32.2%
<b>Ethnicity</b>		
African American	1.4%	2.0%
Asian-American	2.6%	6.4%
Caucasian	85.5%	84.4%
Hispanic/Latin American	4.0%	3.2%
Mixed ethnicity	2.6%	2.1%
Native American	0.7%	0.5%
Other	3.2%	1.4%
<b>Male</b>	42.4%	39.1%
<b>Female</b>	57.6%	60.9%
<b>Age</b>	49.7	46.9
<b>People in household</b>	2.6	2.6
<b>Children under 18</b>	0.6	0.6
<b>Kids in home</b>	29.6%	29.7%
<b>Income</b>	\$74,877	\$98,250



Those who requested information were much more likely to be travelers and the combination of ads and fulfillment heightened this scenario. While less than 30% of the target population reported traveling California, more than two-thirds of inquirers reported doing so. For those who saw ads and requested information, the level of travel was 70%.

**Travel to California**



Relative to repeat visitation, California garnered 35% of the travel among the states tested. Florida and Nevada were the next most popular states among this audience.

**Repeat Visitation to...**

California	35%
Florida	17%
Nevada	14%
New York	10%
Texas	9%
Colorado	7%
Utah	5%
Hawaii	2%

Inquirers tended to plan their trips much further in advance than other people, with well over half planning their trip at least three months in advance. In fact, many planned more than four months in advance.

**Started Planning Trip to California**

Timeframe	Inquirers	Overall
Less than one week	0.8%	11
One to two weeks	3.2%	37
Two to three weeks	3.8%	43
Three to four weeks	7.6%	59
One to two months	22.1%	82
Three to four months	33.4%	162
More than 4 months in advance	28.2%	197

In terms of where they traveled within California, inquirers were less likely to visit major cities and more likely to visit other areas of the State. The sites mentioned by these inquirers included Yosemite, Carmel and Napa Valley.

Destination	Inquirers	Overall	Index
San Diego	24.0%	28.7%	84
Los Angeles	27.9%	31.9%	87
San Francisco	32.9%	33.2%	99
Sacramento	9.4%	11.0%	85
Anaheim/Orange County	19.2%	19.8%	97
Monterey	17.9%	9.8%	184
Palm Springs	6.8%	12.3%	55
Lake Tahoe	8.4%	12.0%	69
Other	28.6%	17.8%	161

Part of the reason that inquirers planned their trips much further in advance is reflected in the duration of their visits – which averaged a week compared to less than 5 nights for visitors overall. Trips taken by inquirers were also much more likely to include children.

Specifics	Inquirers	Overall Average
Number of nights	7.0	4.9
People on trip	2.9	2.8
Kids under 18 on trip	0.6	0.5
% Of trips with children under 18	35.7%	21%

These longer trips resulted in greater participation in activities – these visitors reported an average of 3.9 activities compared to 2.2 for visitors overall. The most popular activities included scenic drives, outdoor activities, visiting historic sites and state and national parks. This group was much more likely to visit the State’s amusement parks and wineries. They were much less likely to visit friends or relatives.

#### Activities - Inquirers

Activities	Inquirers	Index to Average
Take scenic drives / driving tours	65.0%	159
Shopping	56.8%	89
Outdoor activities	55.6%	120
Visit historic sites / museums	51.4%	184
Visit state or national parks	47.4%	217
Visit with friends or relatives	38.7%	75
Visit amusement / theme parks	24.4%	133
Visit wineries	21.3%	214
Attend special events	19.9%	72
Attend sporting events	9.6%	108
Other	7.3%	70

Inquirers were also quite valuable because they spent so much during their visits. In part, this is due to longer trips, but even in this context, their per-person and per-person/per day expenditures were higher than average. This finding suggests that their interaction with California Tourism helped educate them about options and convince them to do more while in the State.

Expenditures for...	Inquirers	Overall
Lodging/Accommodation	\$757	\$361
Meals/Food/Groceries	\$467	\$253
Entertainment/Attractions	\$281	\$145
Shopping	\$285	\$205
Entertainment, e.g., shows/theater/concert	\$71	\$47
Transportation, e.g., gas/rental/flight	\$645	\$340
Other	\$64	\$39
<b>Total</b>	<b>\$2,570</b>	<b>\$1,390</b>
Per person expenditures	\$368	\$293
Per person/per day	\$126	\$109

These findings reinforce the impact of California's additional marketing efforts. They support the advertising and represent another way for California Tourism to influence travel. The interaction assists in extending visitors' trips, increases expenditures and promotes less well known parts of the State.

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## INFLUENCED & INCREMENTAL TRAVEL

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This study provides a great deal of information about visitors' travel patterns and trip specifics, valuable to the State as it explores options for marketing and boosting visitation. Each market group exhibits different travel patterns, especially relative to California trips. Since marketing is designed to influence travel and generate incremental trips, we review the markets relative to travel potential and performance.

**Influenced trips** - trips taken by people who were exposed to California Tourism advertising. While many would have traveled anyway, the advertising had some influence and helped to reinforce travel intentions. Overall, 6.6 million households took 15.6 million influenced trips – most were from California residents, which represented 67% of the total. This information is similar to the data from the California Domestic Travel Report 2005 provided by D.K. Shifflet & Assoc. which show that residents comprise a majority of the State's leisure travelers.

Influenced Trips	In-state	Western Feeder	Other Western	Opportunity	National Non-target	Total
Aware HHs	6,384,093	1,502,162	3,163,428	1,956,088	7,629,104	20,634,876
Level of travel among aware	58.7%	31.60%	44.9%	23.80%	6.60%	32.0%
HHs traveling	3,747,463	474,683	1,420,379	465,549	503,521	6,611,595
Average trips	2.8	2.0	1.9	1.6	1.5	2.4
Influenced trips	10.5 million	950,000	2.7 million	750,000	750,000	15.6 million

Within the out-of-state markets, the Other Western markets delivered the most influenced trips. These markets represent a big geographic area and the level of travel was the highest among the out-of-state areas. This finding suggests that the Western states offer great potential for additional travel.

The best comparison relative to the Opportunity markets are the Remaining National markets, as they are also more distant markets. The level of travel from the Opportunity markets was less than from the Western states, but considerably higher than from the non-targeted National areas. These markets are more likely to travel California and represent strong potential.

**Incremental trips** - trips which would not have occurred without the advertising. These trips use the behavior (level of travel) among those with no advertising awareness as the benchmark, and then any additional travel that occurred among those with advertising awareness is determined. This is counted as incremental travel. Incremental travel is both an increased percentage of people traveling, or the fact that those traveling took more trips to the State.

Overall, 1.5 million incremental trips were generated by the advertising. Again, California residents generated the most incremental trips - about half the total. The Other Western markets also generated over half a million trips, with the remainder coming from the Opportunity markets. Neither the Western Feeder nor the National Non-targeted markets produced incremental travel.

	In-state	Western Feeder	Other Western	Opportunity	National	Total
Population	11,502,870	2,861,262	7,908,571	4,486,440	30,035,843	56,794,986
Awareness	56%	53%	40%	44%	25.40%	36.3%
Aware HHs	6,384,093	1,502,162	3,163,428	1,956,088	7,629,104	20,634,876
Incremental travel	11.00%	0.00%	12.30%	8.70%	0.00%	6.1%
Households visiting	702,250	0	389,102	170,180	0	1,261,532
Average # of trips	1.1	1.2	1.5	1.1	1.4	1.2
Incremental trips	772,475	0	583,653	187,198	0	1,543,325

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## ECONOMIC IMPACT & ROI

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This market review sets the stage for considering the overall economic impact of the advertising. This national survey focused on high income households. Overall, almost 57 million households reported taking approximately 37 million trips, equaling \$50.8 billion in economic impact and \$3.2 billion in tax revenue.

However, as discussed, much of this travel would have occurred *without* the advertising. Consequently, one must assess the actual impact of the campaign and its economic impact. When only the households that *recalled* the advertising are considered, they represent 15.6 million trips, which generated over \$19.2 billion in spending and \$1.2 billion in tax revenue.

To be even more conservative, incremental travel represents trips that *would not have occurred without advertising*. There were 1.5 million incremental trips, with a total economic impact of \$1.96 billion that generated \$127 million in tax revenue.

### Total Economic Impact from Households in Target Markets

	Total	Ad Aware	Incremental
Households	56,794,986	20,634,876	20,634,876
Travel	29.5%	32.0%	6.1%
Traveling households	16,754,521	6,611,595	1,261,532
Average # of trips	2.2	2.4	1.2
Trips	36,859,946	15,641,142	1,543,325
Average expenditures	\$1,379	\$1,227	\$1,268
Economic Impact	\$50.8 billion	\$19.2 billion	\$1.96 billion
Tax revenues generated	\$3,288,692,299	\$1,242,170,445	\$126,659,176

Finally, consideration of the media expenditures necessary to generate this economic impact provides the ROI and the general fund (tax) return on investment. For influenced trips, the ROI was over \$4500, and the general fund ROI was \$282. The ROI based on incremental travel was \$445 for each \$1 invested in media and the general fund ROI was \$29:\$1.

### ROI

	Influenced	Incremental
Trips	15,641,142	1,543,325
Average expenditures	\$1,227	\$1,268
Economic impact	\$19.2 billion	\$1.96 billion
Tax revenue	\$1,242,170,445	\$126,659,176
Campaign expenditures	\$4.4 million	\$4.4 million
ROI	\$4,363	\$445
General fund ROI	\$282	\$29

The ROI figure for incremental travel is obviously much lower than it would be if all the trips taken by those who saw the advertising were considered. Nonetheless, this conservative effort directly links the impact of the advertising in generating new and incremental trips to the State. This measure represents the level of travel that the State would have *lost* without this specific tourism marketing effort.

The 2006 ROI is much higher than the numbers recorded in 2003. However, then, the campaign was much more limited in scope geographically. At that time, the campaign was focused on a group of Western markets and did not include California residents or the National and Opportunity markets.

## CONCLUSIONS & RECOMMENDATIONS

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In 2006, California Tourism implemented a national ad campaign, which included the use of cable television. **The national television strategy worked, producing impressive results in terms of travel and economic impact.** The campaign reached a broad national audience and influenced both attitudes and travel to the State. Over 20.6 million households reported recalling the TV advertising, and these households took **15.6 million influenced trips to California. During these trips, visitors spent \$19.2 billion. This generated \$1.2 billion in taxes for California, which means that each \$1 invested in marketing returned \$282 in taxes to the State.**

A more conservative measure is made via the level of *incremental travel, travel which would not have occurred* without the ad campaign. The campaign generated **1.5 million incremental trips, during which visitors spent \$1.96 billion. These expenditures generated \$126 million in taxes, meaning that for each \$1 invested \$29 in taxes was returned to the State.**

The difference in performance between the market groups was significant. A review of these differences provides useful guidance:

***Western Feeder Markets*** – represent several traditionally strong markets for California. In these markets, California was the most popular destination, with over 40% reporting a visit during 2006. Additionally, visitors reported making multiple trips, averaging over 2 a year. These visitors were also valuable given their higher-than-average expenditures.

At the same time, because these markets have been traditionally strong, California may have reached saturation. While travel was strong, and there were 950,000 influenced trips, no incremental travel was generated by these markets. Undoubtedly, people in these markets are quite familiar with California's offerings. As such, advertising mainly reminds them that the State is a good travel option. Of course, there is a great deal of competition for travelers from these markets, and California needs to maintain market share and visitation from these areas. In this context, it would make sense to maintain an advertising presence through the national cable buy, but consider focusing additional resources in other geographic areas.

***Other Western Markets*** – these markets are in the western states surrounding California, but they are not key feeder markets. California was the most popular destination, with over 44% reporting a visit during 2006. As was the case in key Feeder markets, repeat visitation was strong, with visitors reporting an average of 2 visits per year. This group of markets represents a large population with lots of potential for growth.

In total, 2.7 million influenced trips were made by these markets, along with 580,000 incremental trips. In fact, except for California residents, this group of markets generated the highest level of incremental visitation and the most incremental trips. With the performance of the five Western Feeder markets waning, it might make sense to shift some of the additional advertising dollars into other Western markets such as Las Vegas, Tucson and key Oregon and Idaho markets.



***Opportunity Markets*** – California Tourism identified five national markets that represent large populations and good potential. These included New York City, Chicago, Dallas, Houston and San Antonio. Due to their potential, these markets received additional advertising and promotional dollars. While they offer much potential, at this point, visitation to California is still fairly low, as just 24% reported visiting the State in 2006. Some repeat visitation occurred, with an average of 1.5 trips reported during the year. California is competing with Nevada, New York and Florida in these markets.

Even so, these markets performed quite well during the first year of focused resources. In total, 750,000 influenced trips and 187,000 incremental visits were generated. Additionally, these visitors spent well above the average during their trips, making them especially valuable. California Tourism should maintain a strong focus in these areas, and it is likely that travel will grow. Many of these residents are traveling west (specifically Nevada), so it is likely that they can be convinced to visit California.

***In-state*** – This market is important to California Tourism. There are over 11 million households in the State and despite already strong resident travel, the advertising generated additional travel. Residents enjoy traveling their State, as 62% reported doing so, making an average of 3.2 in-state excursions. While they spent a bit below the average during their travels, much of this was due to lower transportation costs.

Most importantly, the advertising influenced residents' behavior. California residents generated 10.5 million influenced trips, representing two-thirds of all the influenced travel. Additionally, 770,000 incremental trips were generated which would not have otherwise occurred. The national cable buy will continue to reach this market, and it might also make sense to focus resources in-state, especially since many competitors are targeting key California markets and trying to convince residents to leave the State.

***National Non-targeted*** – through the use of the national cable buy, the advertising reaches a large, non-targeted population. Despite this large population, they are currently less likely to visit California, as just 12% reported visiting the State in 2006. Florida and New York were much more popular destinations.

While 750,000 influenced trips to California were generated, no incremental travel occurred. It is probably not prudent to focus more resources on these markets. Still, a national campaign will provide a presence and begin to grow preference and visitation over time.

***Inquirers*** – represent the marketing efforts that supplement the advertising and provide useful information to people planning to visit. Inquirers record a high level of visitation and the combination of advertising and materials boosts visitation even more. These visitors seem more loyal – they certainly stay longer and spend more money. This reinforces the benefits of the informational function provided by the State. The key challenge is effectively using these efforts to build loyalty and repeat usage.

## **APPENDIX**

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## **Advertising Effectiveness Travel Follow-up Questionnaire**

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### **California Tourism**

November 2006

SAMPLE:       1 – FOLLOW-UP (From first survey, had seen ads on air)  
                  2 – AUGMENT (to fill quotas and find consumers who haven't seen ads)

Thank you for visiting our travel survey. Your opinions are valuable to us!! This survey is about travel and vacation choices. This is for research purposes only and is an opportunity for you to give feedback to travel destinations so that they can improve. No sales effort will ever result from your participation.

Before you begin, there are a few things to note about the survey:

- For most questions, simply click on the button of your response and then click on the Next button to go on to the next question.
- If you need to go back to the preceding question to change your response, click on the Previous button.
- For some questions, you will need to scroll down to respond to all the questions on a screen.
- To stop at any point, close the browser window. The survey will terminate and you will not be able to re-enter.

LINK 1 – Western Feeder, Opportunity Markets

LINK 2 = Instate, Western 2 & National Markets

- S1. First, who in your household is primarily responsible for making decisions concerning travel destinations?

1 ..... SELF  
2 ..... SELF & OTHER  
3 ..... SPOUSE/OTHER → TERMINATE

FOR SAMPLE 1, SKIP TO Q1

S2. Do you normally take at least one vacation or leisure trip a year? A leisure trip would be any non-business trip involving at least one night stay at a location at least 50 miles from your home?

1 ..... Yes  
2 ..... No → TERMINATE

S3. What is your zip code? \_\_\_\_\_

S4. Of the following states, where do you live? (ONLY ASK OF LINK 2)  
[PROGRAMMER: INSERT 51 STATE DROP DOWN LIST AND FORCE ANSWER]

S5. Of the following cities, which are closest? (ONLY ASK OF LINK 1)

1. Seattle
2. Portland
3. Salt Lake City
4. Denver
5. Phoenix
6. Houston
7. Dallas
8. San Antonio
9. New York City
10. Chicago

S6. Which of the following categories best represents the total annual income for your household before taxes?

- ☐ Less than \$35,000 → IF LINK 1 TERMINATE
- ☐ \$35,000 but less than \$50,000 → IF LINK 1 TERMINATE
- ☐ \$50,000 but less than \$75,000 → IF LINK 1 & S5 = 6-10, TERMINATE
- ☐ \$75,000 but less than \$100,000
- ☐ \$100,000 or more

1.

	Please check the states that you have visited for a leisure trip since the beginning of 2006?	How many trips have you taken to the state during 2006?
Texas	<input type="checkbox"/>	<input type="checkbox"/>
Florida	<input type="checkbox"/>	<input type="checkbox"/>
Nevada	<input type="checkbox"/>	<input type="checkbox"/>
California	<input type="checkbox"/>	<input type="checkbox"/>
Utah	<input type="checkbox"/>	<input type="checkbox"/>
New York	<input type="checkbox"/>	<input type="checkbox"/>
Hawaii	<input type="checkbox"/>	<input type="checkbox"/>
Colorado	<input type="checkbox"/>	<input type="checkbox"/>
None of these state	<input type="checkbox"/>	

[IF NONE – SKIP TO INTERNET INTRO BEFORE Q11]

(IF Q1=CALIFORNIA, ASK ABOUT TRIP TO CALIFORNIA OTHERWISE SELECT ANOTHER STATE RANDOMLY AND ASK ABOUT THAT **ONE** STATE. ASK Q2 ONLY FOR CALIFORNIA TRIPS)

Now, please give us some information about your most recent trip you took this year to [INSERT NAME OF STATE].

2. Where within California, did you go on this trip?

- 1...SAN DIEGO
- 2...LOS ANGELES
- 3...SAN FRANCISCO
- 4...SACRAMENTO
- 5...ANAHEIM/ORANGE COUNTY
- 6...MONTEREY
- 7...PALM SPRINGS
- 8...LAKE TAHOE
- 9...OTHER...specify \_\_\_\_\_

3. What month did you take your most recent trip to [INSERT STATE]?
- 1..... JANUARY
  - 2..... FEBRUARY
  - 3..... MARCH
  - 4..... APRIL
  - 5..... MAY
  - 6..... JUNE
  - 7..... JULY
  - 8..... AUGUST
  - 9..... SEPTEMBER
  - 10..... OCTOBER
  - 11..... NOVEMBER
4. How many nights did you spend in [INSERT STATE] during this trip?  
**RECORD NUMBER** \_\_\_\_\_
5. As part of your trip to [INSERT STATE], did you use paid accommodations?
- 1...YES
  - 2...NO
6. As part of your trip to [INSERT STATE] did you stay with friends and/or relatives?
- 1...YES
  - 2...NO
7. Which of the following did you do as a part of your trip?
- 1...Visit wineries
  - 2...Visit historic sites or museums
  - 3...Visit amusement or theme parks
  - 4...Outdoor activities
  - 5...Go shopping
  - 6...Attend special events
  - 7...Take scenic drives or driving tours
  - 8...Attend sporting events
  - 9...Visit state or national parks
  - 10...Visit with friends or relatives
  - 11...Other \_\_\_\_\_
  - 12...Other \_\_\_\_\_
8. To better understand your travel habits, we are interested in finding out the approximate amount of money you and other members of your travel party spent while in [INSERT STATE]. Please estimate how much your travel party spent in total on...?
- |  |       |
|--|-------|
| Lodging/Accommodations                                       | _____ |
| Meals/Food/Groceries   | _____ |
| Entertainment/Attractions                                    | _____ |
| Shopping   | _____ |
| Entertainment such as shows, theater or concerts             | _____ |
| Transportation such as gasoline, auto rental or flight costs | _____ |
| Other  | _____ |
9. Including yourself, how many people were on this trip?  
**RECORD NUMBER** \_\_\_\_\_ (IF 1, SKIP TO Q10)
- 9a. How many were under the age of 18? **RECORD NUMBER** \_\_\_\_\_

10. Thinking about this trip, how far in advance did you begin to plan?

- 1...Less than one week
- 2...One to two weeks
- 3...Two to three weeks
- 4...Three to four weeks,
- 5...1 – 2 months
- 6...3-4 months or
- 7...More than four months in advance
- 8...Don't know

IF SAMPLE 1, THANK AND END, IF SAMPLE 2, CONTINUE

Now you will be shown some travel advertisements, and asked for feedback. Please choose whether you will be viewing the ad using a dial-up modem, or using broadband (cable modem, dsl, T1 or other fast modem)

- ☐ Dial-up modem (56k)
- ☐ Broadband (100k or better)
- ☐ Don't know

SHOW CALIFORNIA TELEVISION AD

[mms://sms7.omniproductions.net/CA06\\_CATV1-1.wmv](mms://sms7.omniproductions.net/CA06_CATV1-1.wmv)

[mms://sms7.omniproductions.net/CA06\\_CATV1-1a.wmv](mms://sms7.omniproductions.net/CA06_CATV1-1a.wmv)

11. How many times have you seen this ad?

- ☐ Never
- ☐ Once
- ☐ Two or three times
- ☐ Three or more times
- ☐ Could not view ad

SHOW PRINT AD

I:\Team David\Ads - Master\California\1019104

A - California\_ad\_defy.jpg

B - California\_CoOpInsert\_Cover.jpg

FOR EACH AD ASK THE FOLLOWING QUESTION

12. Do you recall seeing the following ad?

- ☐ Yes
- ☐ No

**The following questions are for classification purposes only, and will help us understand different groups of people.**

13. What is your marital status? Are you...?

- ☐ Married
- ☐ Divorced/Separated
- ☐ Widowed
- ☐ Single/Never married

14. Including yourself, how many people are currently living in your household? \_\_\_\_\_

15. How many living in your household are children under the age of 18? \_\_\_\_\_
16. Which of the following categories best represents the last grade of school you completed?
- ☐ High school or less
  - ☐ Some College/Technical school
  - ☐ College graduate
  - ☐ Post graduate degree
17. Which of the following best describes your ethnic heritage? Are you...
- ☐ African American
  - ☐ Asian-American
  - ☐ Caucasian
  - ☐ Hispanic/Latin American
  - ☐ Mixed ethnicity
  - ☐ Native American
  - ☐ Other

**DELETED QUESTION REGARDING OCCUPATION**

18. Which of the following categories best represents the total annual income for your household before taxes?
- ☐ Less than \$35,000
  - ☐ \$35,000 but less than \$50,000
  - ☐ \$50,000 but less than \$75,000
  - ☐ \$75,000 but less than \$100,000
  - ☐ \$100,000 but less than \$125,000
  - ☐ \$125,000 but less than \$150,000
  - ☐ More than \$150,000
19. What is your age?
- ☐ 18-24
  - ☐ 25-35
  - ☐ 36-45
  - ☐ 46-54
  - ☐ 55 or older
20. Are you...
- ☐ MALE
  - ☐ FEMALE

**THANK YOU FOR PARTICIPATING IN THIS SURVEY**

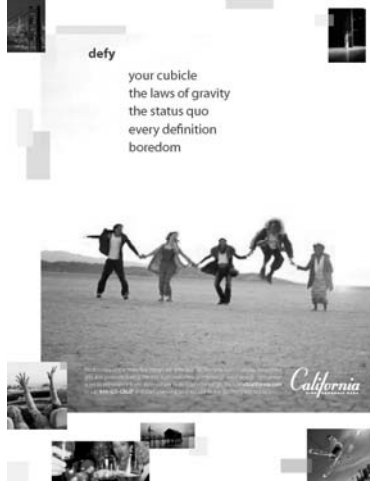
## Tested Advertising

---

### California

#### Print

I:\Team David\Ads - Master\California\1019104



California\_ad\_defy.jpg



California\_CoOpInsert\_Cover.jpg

#### TV

[mms://sms7.omniproductions.net/CA06\\_CATV1-1.wmv](mms://sms7.omniproductions.net/CA06_CATV1-1.wmv)

[mms://sms7.omniproductions.net/CA06\\_CATV1-1a.wmv](mms://sms7.omniproductions.net/CA06_CATV1-1a.wmv)



**California Snow-  
Advertising Effectiveness Research  
Phase1 Report**



Strategic  
Marketing &  
Research, Inc.

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# **California Snow Advertising Effectiveness Research Phase 1 Report**

**January 2007**

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## BACKGROUND & OBJECTIVES

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California has a strong public/private partnership which promotes and markets the state as a preferred travel destination. The California Travel and Tourism Commission, (CTTC) a privately funded, non-profit corporation, works in concert with the Division of Tourism to implement marketing efforts. The CTTC and the California Division of tourism are charged with effectively marketing the state and communicating all its tourism offerings to potential visitors with the goal of attracting additional visitors and visitor spending. An ad campaign was implemented in winter 2006, which focused specifically on snow skiing. CTTC wants to measure the impact of these efforts on generating influenced and incremental travel and revenue for California.

The key research objectives included the following:

- Assess effectiveness of the campaign in meeting its various goals, including consumer awareness, preference and actions;
- Determine how well the campaign sparked consumer interest to act and learn more about California as a premier winter travel destination;
- Compare the level of awareness to key competitors in the markets to determine if California has a sufficient “share of voice;”
- Assess consumers’ reactions to both the ads of California and those of key competitors and explore whether the ads communicate the “California attitude” to consumers;
- Gauge the impact of the advertising on attitudes about California as a travel destination and link differences in attitudes to variations in preference and travel; and
- Provide insight and recommendations to help guide and refine future marketing campaigns.

SMARI has developed a research methodology based on the ways in which people make travel decisions. We have used this to measure other California tourism advertising. The decision process has several steps and each can be influenced by effective marketing. The text below reviews each step of the process (on the left) and the “measure” used to evaluate the effectiveness of the state’s marketing efforts. **In this, Phase 1 of the research, the first four steps of the process are measured.** Phase 2 will be conducted to determine the level of incremental travel generated by the campaign.

<u>Influence Process</u>		<u>Measure</u>
Exposure	→	Advertising Awareness
Messaging	→	Creative Evaluation
Shift in Attitudes	→	Comparative Image Assessments
Build Interest	→	Comparative Interest in Visitation
Generate Travel	→	Incremental Travel

The following report summarizes the key findings from this research. Conclusions and recommendations are forwarded to guide future advertising campaign endeavors.

## METHODOLOGY

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An on-line survey allowed people to view various tourism ads and indicate their recall of each. SMARI finds that when surveying travelers, the on-line process provides a good and cost-effective approach to obtaining accurate and non-biased feedback about advertising awareness. To help mitigate bias, the California ads were shown along with competitive ads. In this study, each consumer saw the California ads and ads promoting winter activities from Colorado, Montana, and Utah. Respondents reviewed the ads and answered questions about them and the states under consideration. Data collection occurred in December 2006, immediately after the campaign aired. A copy of the questionnaire appears in the Appendix.

SMARI worked with e-Rewards, a national vendor that maintains an extensive on-line panel of consumers who have agreed to complete surveys. This sample can be demographically and geographically targeted. The survey was conducted among households in four (4) DMA's, including Chicago, Atlanta, Dallas, and Houston. To ensure that the sample included people who were interested in winter vacations and snow skiing, people who were somewhat or very interested in skiing and snowboarding were targeted. The sample respondents also had to meet other criteria: they had to be responsible for making travel decisions; had to have taken or considered taking a snow vacation within the past 10 years, and had to normally take at least an overnight leisure trip 50 or more miles away from home each year. The goal was to obtain 800 surveys (200 in each market); a total of 812 surveys were completed.

### Completed Surveys

Atlanta	201
Chicago	197
Dallas	207
Houston	207
<b>Total</b>	<b>812</b>

Upon completion of the data collection process, the data were cleaned, coded, analyzed, and weighted to represent the overall population. The results were analyzed and the following report summarizes the key findings.

## **THE ADVERTISING CAMPAIGN**

---

Before evaluating the 2006/2007 Winter Snow campaign, its scope and a comparison to previous campaigns are discussed. The primary objective of the 2006/2007 campaign was to increase California's market share of the destination skier market. Previously, the West Coast had received an 8% share of this market, representing a decrease in share from years past. The campaign aimed to increase awareness of California as a one-of-a-kind winter and snow sports destination, thus encouraging the target markets to choose California over Rocky Mountain destinations. Further, due to budget constraints, an extreme effort was made to make a small media budget work like a larger one.

To achieve the objectives of the campaign, the ads were intended to differentiate California by integrating its great snow sports offerings and diverse mountain ranges with the state's unique vibe and approach to life - "The California Attitude." A TV ad and a California Snow Website and Internet ad were developed to meet these goals.

The campaign continued in the 06/07 season with spot television as its primary support. Total expenditures for the TV portion of the campaign were \$1.45 million. Increased funding allowed for the addition of two new markets, Chicago and Atlanta, in addition to Dallas and Houston. The spot TV ran for five weeks, from the second week of November through the third week of December.

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## COMPETITIVE SITUATION

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This research evaluates the effectiveness of California Tourism's Snow Campaign. Before evaluating its reach and message, it is important to consider the competitive context relative to California's current image and appeal as a winter travel destination.

California's competition was evaluated relative to a set of seven competitive states that also offer strong winter products; they included Colorado, Idaho, Montana, Nevada, Utah, New York, and Vermont. The respondents were asked to rate California and these competitors on nineteen (19) attributes. The ratings are based on a 5-point scale, where higher ratings indicate stronger performance. With this scale, a rating of "4" or better is *excellent*, scores from "3.5 to 4.0" are considered *good*, and scores below "3.0" indicate *weak* performance. Along with the ratings, the table below lists an index which compares California's rating to the average rating for all the states. An index score of "100" means that the rating is average; a score of "105" indicates 5% above average; and "95" indicates 5% below average.

Several attributes were rated within the "good range" and indexed higher than average, including ratings for California's scenery, dining, weather, lodging, and off-hill activities. Most of the attributes, especially those directly related to skiing, were rated lower than 3.5. Two ratings actually fell in the weak range: crowding on the mountain and value.

**Attribute Ratings for California**

	Mean	Index
Scenery	3.8	106
Dining	3.6	109
Weather	3.6	107
Lodging	3.5	104
Off-hill Activities	3.5	108
Après Ski Entertainment & Nightlife	3.4	106
Variety of Terrain	3.3	100
Challenge of Terrain	3.3	98
Service	3.3	101
Ski/Board Rentals	3.3	100
Parks and Pipes	3.3	101
Access	3.2	103
Grooming	3.2	99
Family Programs	3.2	100
On-mountain food	3.2	101
Snow quality	3.2	93
Lift Lines	3.1	97
Crowding on the Mountain	2.9	94
Value	2.9	91

This study was designed to determine the differences between four target markets. As such, the table below shows the differences in attribute ratings by market; the highest rating in each category is bolded. Overall, Chicago reported the most positive image ratings for California's winter offerings, followed by Houston. Atlanta and Dallas were less positive, albeit only slightly.

**California's Attribute Index - by Market**

California Attributes	Atlanta	Chicago	Dallas	Houston
Dining	109	<b>111</b>	107	107
Off-hill Activities	108	<b>110</b>	105	109
Weather	107	<b>108</b>	105	107
Après Ski Entertainment & Nightlife	106	<b>107</b>	104	105
Scenery	106	<b>107</b>	103	106
Lodging	104	<b>105</b>	101	104
On-mountain food	101	<b>101</b>	100	100
Access	101	104	103	<b>104</b>
Service	100	<b>102</b>	100	101
Parks and Pipes	100	<b>102</b>	100	102
Family Programs	100	100	100	<b>102</b>
Variety of the Terrain	99	101	98	<b>101</b>
Ski/Board Rentals	99	<b>101</b>	99	100
Challenge of the Terrain	98	<b>99</b>	96	98
Grooming	98	<b>100</b>	98	99
Lift Lines	98	<b>98</b>	95	98
Snow quality	93	93	92	<b>94</b>
Crowding on the Mountain	92	<b>95</b>	92	95
Value	91	93	87	<b>94</b>
<i>Average</i>	<i>100</i>	<i>102</i>	<i>99</i>	<i>101</i>

California's image can also be considered in a competitive context. A table of index scores for California and its competitors appears on the following page; the highest rating in each category is bolded.

- California's strongest attributes are dining and other off-hill activities.
- Colorado is rated strongly across the board, most notably for several outdoor attributes: snow quality, challenge of terrain, variety of terrain, scenery, and weather.
- Idaho indexed below average for all attributes except value and crowding on the mountain.
- Montana was slightly more competitive than Idaho, indexing above average on value, lift lines, snow quality.
- Like Idaho and Montana, Nevada was seen as a good value. Nevada also indexed higher than average on several entertainment factors: off-hill activities and après ski entertainment and nightlife.
- New York was below average across the board.
- Overall, Utah's ratings were higher than California's, especially for snow quality, family programs, value, grooming, access, and variety of terrain.
- Vermont, like New York, was below average across the board.



While several attribute ratings for California index above average, Colorado by far is perceived to offer the best winter product, with all but one attribute receiving the highest score. The results also suggest that Utah offers a strong product – being rated higher than California in most areas and overall. Idaho, Montana, Nevada, New York, and Vermont are not considered as competitive as Colorado, Utah, and California. To compete with Colorado and Utah and attract more winter visitors to California, the state must find effective ways to convince people that it is superior to both these states. Advertising can also target people for whom other factors outweigh their image of the state as a winter sports destination.

**Attribute Index for Competitive States**

	CA	CO	ID	MT	NV	NY	UT	VT
Snow quality	93	<b>124</b>	97	103	95	83	111	94
Challenge of Terrain	98	<b>123</b>	97	100	98	85	107	93
Variety of Terrain	100	<b>122</b>	97	100	97	85	108	92
Scenery	106	<b>121</b>	93	100	94	84	105	98
Weather	107	<b>119</b>	94	96	100	87	104	94
Après Ski Entertainment & Nightlife	106	<b>119</b>	91	93	105	94	98	94
Access	103	<b>119</b>	90	92	101	94	108	93
Grooming	99	<b>118</b>	95	98	97	89	108	95
Lodging	104	<b>118</b>	92	95	101	91	104	96
Ski/Board Rentals	100	<b>117</b>	94	99	98	91	106	96
Parks and Pipes	101	<b>117</b>	95	98	98	89	107	94
Service	101	<b>114</b>	95	98	99	90	106	96
Off-hill Activities	108	<b>114</b>	92	94	106	94	97	94
On-mountain food	101	<b>113</b>	96	98	100	93	103	97
Dining	109	<b>113</b>	92	93	101	98	98	96
Family Programs	100	<b>113</b>	95	98	95	93	109	96
Lift Lines	97	<b>112</b>	97	103	98	88	107	97
Value	91	<b>110</b>	101	105	103	85	108	97
Crowding on Mountain	94	105	100	<b>108</b>	99	89	107	98
<i>Average</i>	<i>101</i>	<i>116</i>	<i>95</i>	<i>99</i>	<i>99</i>	<i>90</i>	<i>105</i>	<i>95</i>

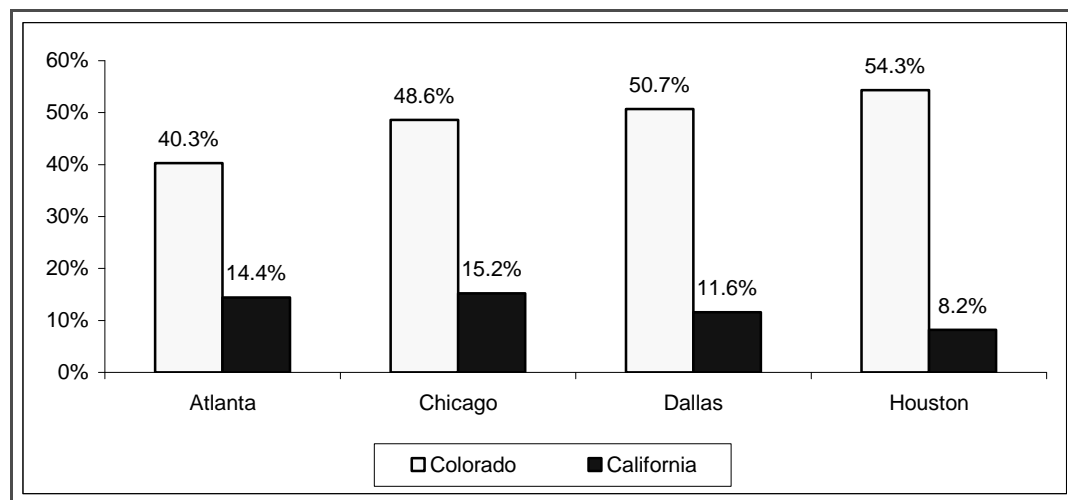
To identify the states that respondents keep “top of mind” when planning cold weather vacations, they were asked to pick four states that came to mind as good places to go for cold weather activities such as skiing and snowboarding. Reiterating the results of the image ratings, Colorado and Utah were named most frequently, followed by California. The data show that Colorado is the dominant winter travel destination, “owning” the skiing and snowboarding market. To remain competitive in the winter travel market, California may need to differentiate itself from Colorado, a point which is analyzed in greater depth later in this report.

**Good Places to Go for Cold Weather Activities**  
(states mentioned by at least 5%)

Colorado	97.2%
Utah	55.2%
California	29.1%
Vermont	27.9%
New Mexico	24.7%
Wyoming	19.5%
Nevada	14.6%
Montana	14.4%
Idaho	12.2%
Wisconsin	11.7%
Michigan	10.7%
Alaska	8.1%
New Hampshire	5.4%
Minnesota	5.3%

In addition, the respondents were forced to choose their preferred destination. If they were only planning a trip or were very likely to visit one state, this represented their preference. However, if they indicated plans or likelihood to visit California and another destination, they were asked to choose a preference. Predictably, more respondents chose Colorado as their preferred destination (48.5%) followed by California (12.8%). New York, Nevada, and Utah were also preferred destinations: 9.9% of respondents preferred New York, 8.4% Nevada, and 8.0% Utah. When the results are considered by market, Colorado is the indisputable winner.

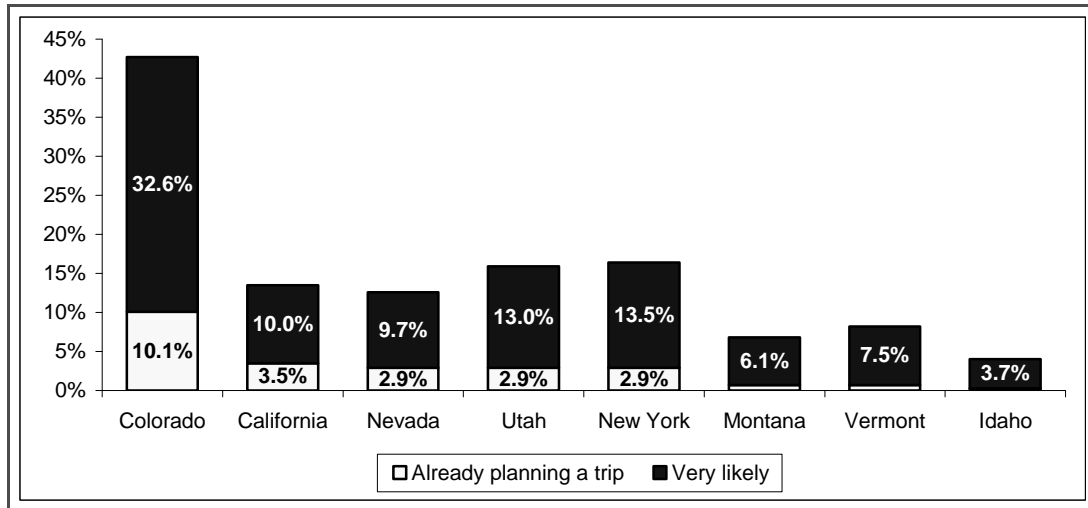
**Preference of Colorado & California**



While image ratings provide insight into the competitive landscape, marketing ultimately must convince people to visit California. Several factors including distance and cost play a role in travelers' destination selection process, and high image ratings do not ensure visitation. Therefore, it is also important to review measures that tap into travel intentions. The chart below shows that respondents were most likely to report planning a

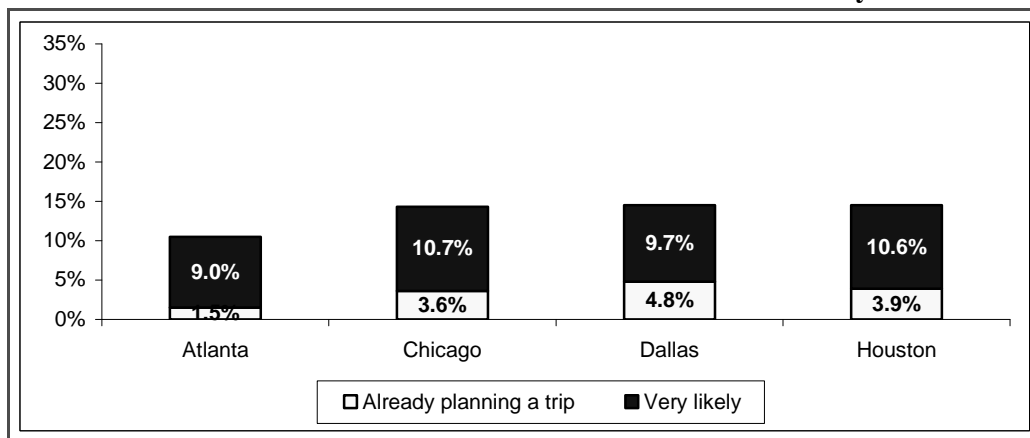
trip or being very likely to take a trip to Colorado. As compared to the other states, a higher percentage of people reported already planning a trip to California; however, more respondents said that they were *very likely* to visit Utah and New York.

#### Likelihood to Visit States for Cold Weather Vacation within Next Year



The likelihood to visit California ratings vary little by market, however, Atlanta respondents were the least likely to report intentions to visit; Dallas respondents were the most likely to say that they were already planning a trip; and Chicago respondents were the most likely to say that they were very likely to visit California within the next year.

#### Likelihood to Visit California for Cold Weather Vacation - by Market



## IMAGE ASSESSMENTS & POSITIONING

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The initial findings indicate that California is not the leader relative to its image as a winter destination. Yet, relative to destination imagery, the challenge is making sense of the ratings and attributes and determining the best way to use this intelligence. Should California focus on its ski facilities and compete head to head with Colorado, or is there another option for differentiating the state? Relative to these crucial questions, it is helpful to gain greater insight into how the image ratings relate to destination selection.

In assessing California's position and making conclusions, we can use the data to explore the factors which are the most important drivers of cold weather, skiing vacations. Consequently, statistics can be used to group the attributes by commonality. The results of the analysis show that *three factors* drive skiing and cold weather vacations: off-hill activities, slopes, and experience & value. The categories and corresponding attributes are as follows:

- **Locale:** Off-hill activities, après ski entertainment and nightlife, dining, lodging, on-mountain food, and access.
- **Slopes:** Challenge of the terrain, scenery, snow quality, variety of the terrain, weather and grooming.
- **Experience & Value:** Crowding on the mountain, value, lift lines, family programs, service, ski/board rentals, parks and pipes.

Below we see that slopes are the most critical driver of cold weather vacationing, closely followed by locale. Still, all three factors bear significant influence. As such, it is important to determine the relative strengths and image of each state.

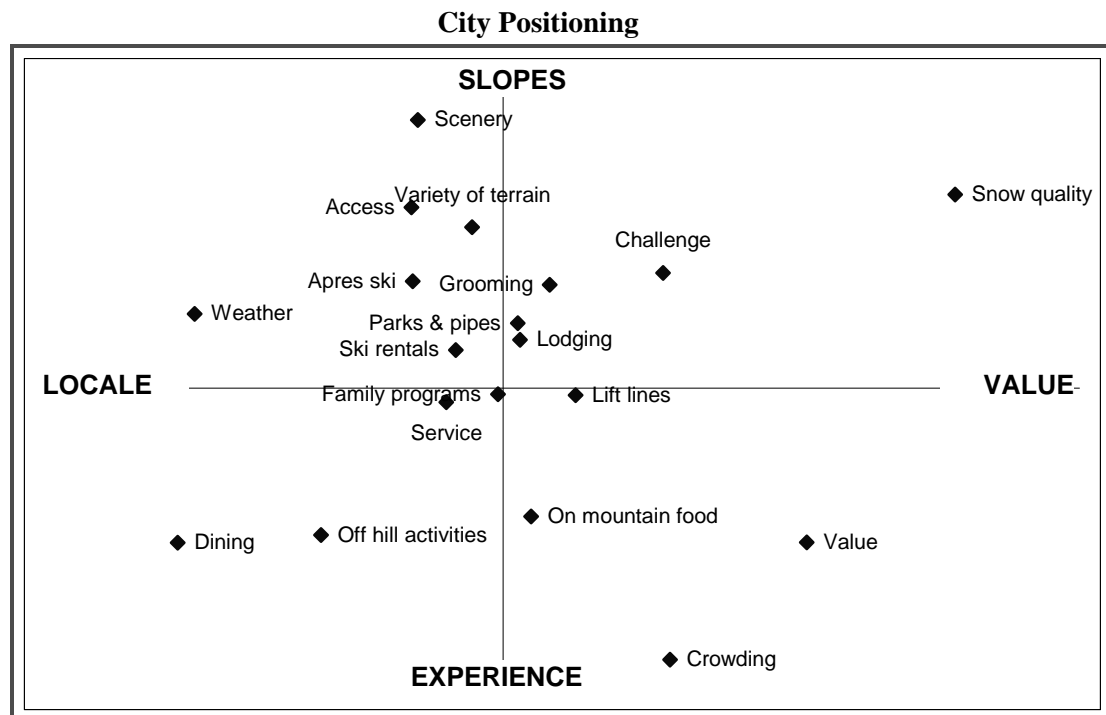
**Critical Drivers of Cold  
Weather Vacations**

Slopes	29.4%
Off-hill Activities	22.4%
Experience & Value	15.6%

In fact, consumers' imagery of an area is not based on a list of attributes – their overall image of a destination employs a “short-hand” of sorts, which incorporates their various ideas, thoughts and experiences about a place. To better replicate the evaluative process used by consumers, SMARI considers perceptual mapping a strong tool. It uses the ratings for each state to create a picture which represents the decision process and the relative position of each state tested. On a perceptual map, both attributes *and* states are “pushed” and “pulled” by the other ratings and the competitive landscape.

The best way to understand the decision process and why state images are important is by reviewing a perceptual map. This type of map takes into account the ratings of the various states and “maps” them based on the differences in the ratings and the competitive landscape. While evaluating the map is an art of sorts, it can provide insight into how people evaluate different destinations and the attributes that differentiate specific destinations. A review of the map shows the various dimensions of the decision. The map below suggests that consumers evaluate the states on two continuums:

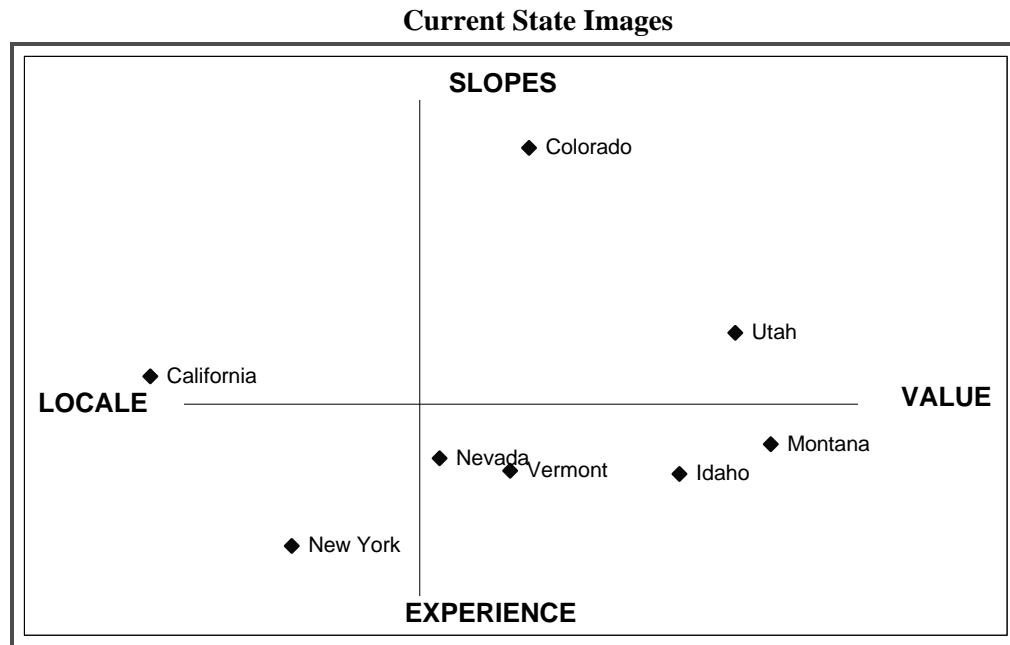
1. The first (the vertical axis) can be considered *Slopes versus Experience*. On one hand people evaluate a place based on the skiing (Slopes) – the terrain, the quality of snow, grooming, etc. However, this is balanced by the Experience – things like crowding as well as other amenities. These two can be a tradeoff, with some places offering more in terms of slopes, which can lead to crowding and other negative attributes. Additionally, some resort areas offer more than skiing alone.
2. The second dimension (the horizontal axis) compares *Locale versus Value*. On the left side of the map are items that relate to the overall locale – dining, après ski, and off-hill activities. On the right side, the main issue seems to be value. In this comparison, people look at the value they receive versus the opportunities and amenities that are available in a specific locale.



When the states are plotted on this same map, it is possible to visualize where each state falls on these continuums.

**Colorado** and **Utah** are positioned in the **Slopes/Value** quadrant.  
**California** is in the **Slopes/Locale** quadrant.

The remaining states are positioned in the lower two quadrants, with **New York** in the **Locale/Experience** quadrant and **Nevada**, **Vermont**, **Idaho**, and **Montana** in the **Value/Experience** quadrant.



Given that the primary drivers of cold weather vacationing are **slopes** and **locale** activities and California is currently situated in the Slopes/Locale quadrant, California is clearly in a good position to attract cold weather vacationers. While Colorado is the preferred travel destination, California can capitalize on its unique slopes and après ski image. California will first need to differentiate itself from its main competitors, Colorado and Utah, by focusing on its après ski and off-hill activities. This focus, however, should not abandon promotion of the state's slopes, since slopes are the main driver of cold weather travel. In short, to attract additional winter visitation, California will need to *promote* its slopes and skiing while *highlighting* its off-hill offerings.

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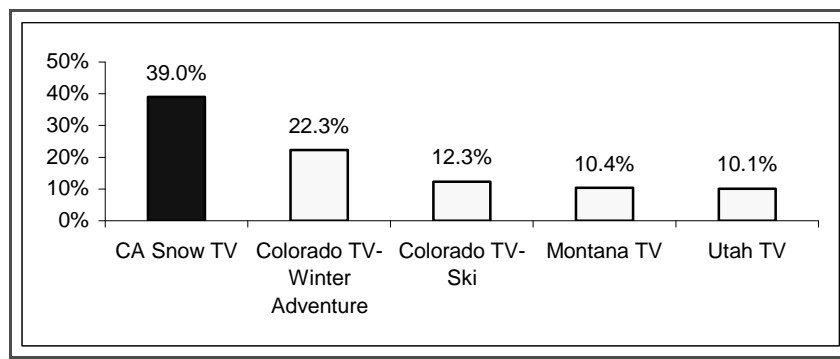
## ADVERTISING AWARENESS

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The foregoing provides an overview of the competitive situation and insight into how consumers view winter destinations. In this context, it is useful to assess this year's ad campaign and its impact. Successful advertising must achieve several primary goals. First, it must reach the target audience. In this study, "reach" is defined as the percentage of people that recall the advertising. To measure recall, the respondents were asked to view TV ads for California, Colorado, Montana and Utah, and to indicate whether they recalled being exposed to them. In this study, consumers viewed one California TV ad as well as two Colorado TV ads, one Montana TV ad, and one Utah TV ad.

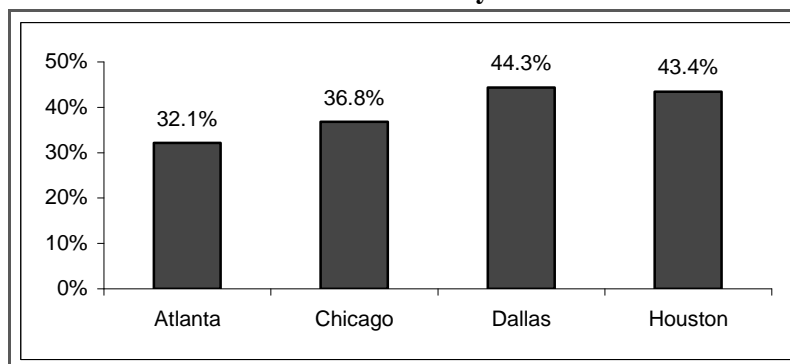
First, consider recall of the individual ads. As stated, California, Montana, and Utah had one ad each, while Colorado had two ads. The ads were tested with travelers from California's target markets; predictably, recall of the California ad was much higher, with almost 40% claiming recall of the ad.

**Recall of TV Ads**



Recall of the California ad varied slightly across the markets, with respondents from Dallas and Houston reporting the highest recall and those from Chicago and Atlanta the lowest. The fact that Chicago and Atlanta were new markets this year may explain the difference in recall.

**California Recall - by Market**



To make these figures more tangible, these awareness numbers are converted to the number of aware households. To calculate aware households, the number of households in each market is multiplied by the percentage of households in each market that are somewhat or very interested in skiing or snowboarding, as this was the focus of the research. This number is then multiplied by the percentage of aware households in each market, to calculate the number of aware households.

As seen below, while Dallas reported the highest recall, Chicago produced the most aware households due to its larger population. Atlanta produced the fewest aware households despite the fact that this market is significantly larger than Houston. This finding suggests that the campaign was the least effective in Atlanta. This analysis can be taken one step further by figuring the cost per aware household. The TV campaign cost \$1.45 million, meaning that the cost per aware household was \$0.99. While this cost is much higher than that recorded during the spring 2006 campaign (\$0.58 per aware household), it is often more expensive to reach a targeted market, as was the case with the winter campaign, than a national market, as was the case in the spring campaign.

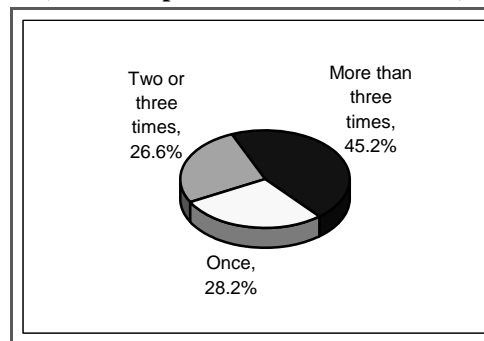
#### Aware Households

Market	HHs	% Interested in Snow Skiing	# HHs Interested in Snow Skiing	% Aware	HHs
Atlanta	2,020,481	39.0%	787,538	32.1%	252,992
Chicago	3,428,815	37.8%	1,296,900	36.8%	477,805
Dallas	2,251,685	42.2%	949,540	44.3%	420,978
Houston	1,857,832	39.3%	730,505	43.4%	317,290
<b>Total</b>	<b>9,558,813</b>		<b>3,764,483</b>		<b>1,469,065</b>

Most respondents who saw the California ad also reported multiple exposures. Almost 72% of respondents that recalled the ad saw it two or more times. This is a positive finding, since multiple viewings of an ad can reinforce its message.

The strength of the campaign relative to those of competitors is reinforced when recall is reviewed. California earned the highest level of multiple viewings. The only other ad that received near the level of recall was the Colorado TV-Winter Adventure ad - being almost 40%.

#### Frequency of Recall (# times exposed to California TV ad)



#### % Recall Multiple Exposures

CA Snow TV	71.8%
Colorado TV-Winter Adventure	39.7%
Colorado TV-Ski	26.1%
Utah TV	22.7%
Montana TV	17.4%



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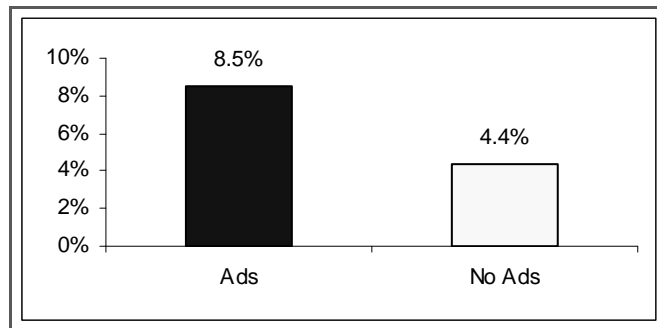
## WEBSITE VISITS & INTERNET AD RECALL

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Reach of the California campaign also involves hits on the [visitcaliforniasnow.com](http://visitcaliforniasnow.com) Website and recall of the California Snow Internet ad. As mentioned, the [visitcaliforniasnow.com](http://visitcaliforniasnow.com) Website and the Internet ad were an integral part of the 2006/2007 Winter Snow marketing campaign.

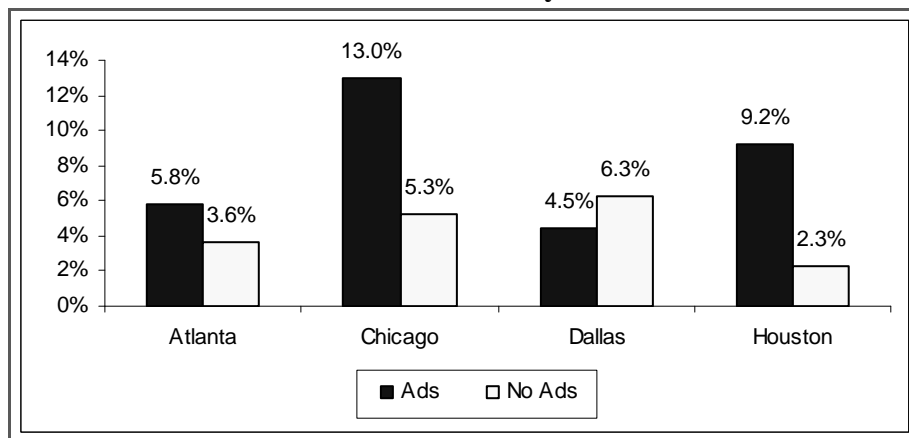
Overall, 5.8% of respondents reported visiting [visitcaliforniasnow.com](http://visitcaliforniasnow.com). Even better, the results show that aware respondents were almost twice as likely to report Website visits as those who were unaware, meaning that the advertising drove people to the Website.

**Visited California Snow Website - by Awareness**



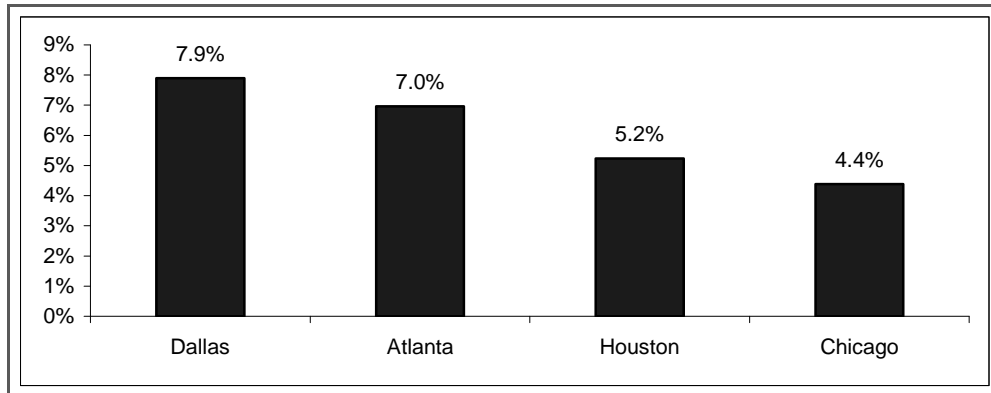
What effect did the TV ads have on visits to the Website by market? The chart below shows that, the ads had the greatest impact in Houston and Chicago; however, they failed to create any additional Website visits in Dallas. This suggests that the campaign was least successful in spurring respondents to action in this market.

**Visited California Snow Website - by Market & Awareness**



Another component of the Snow campaign was an Internet ad. The respondents were also shown this advertisement and were asked to indicate whether they recalled viewing the ad. Overall, 6.0% recalled the ad; recall was higher in Dallas and lowest in Chicago.

**Internet Ad Recall - by Market**



Did the Internet ad extend the reach of the campaign? The California Snow TV effort resulted in 39.0% aware households and the Internet effort created 6.0% recall. Of course, there was overlap between these groups, with 3.7% recalling both the TV and Internet ads. However, for ads to reach the most people, they must also accomplish some reach on their own. In this case, the Internet ads reached an additional 2.4% of respondents that were unaware of the TV ad, extending the overall reach of the campaign.

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## CREATIVE EVALUATION

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An effective marketing campaign includes two key elements – the media plan has to ensure that a sufficient number of people are exposed to the message, and the advertising must deliver a meaningful and compelling message. The advertising has to differentiate the state and communicate its benefits as a winter travel destination. One benefit of this research methodology is that respondents were asked to view the actual California Snow ads. Then, whether or not they were exposed to the campaign when it launched, they were asked to evaluate the message communicated by the advertising.

The research asked respondents to view television ads from California, Colorado, Montana and Utah in addition to California's Internet ad. After reviewing each campaign, they rated the advertising in four categories on a 5-point scale, where the higher the number, the more they agreed with the statement:

- Makes you more interested in visiting this state
- Shows experiences and places that you are interested in
- Shows a unique place with a diverse and desirable lifestyle
- Shows a good place for a winter vacation.

With this scale, a higher rating denotes stronger performance. SMARI has tested a large number of travel ads and generally the best ads receive ratings of "3.8" or higher. A score of "4.0" is very unusual and most successful ads earn ratings from "3.5" to "3.8."

California's ads were rated rather highly in all areas, especially for *shows a good place for a winter vacation*. Colorado's ads, however, were rated even more highly on all attributes, especially for *shows experiences and places that you are interested in* and *shows a good place for a winter vacation*. The ads for Montana and Utah were not rated as highly, with two of the ratings falling below the "3.5" goal for both states: *made you more interested in visiting this state* and *shows a unique vibe and desirable lifestyle*.

**Ratings of Campaigns**

	CA	CO	MT	UT
Made you more interested in visiting this state	3.6	3.7	3.4	3.4
Show experiences & places you are interested in	3.6	3.9	3.5	3.5
Show a unique vibe & desirable lifestyle	3.6	3.7	3.3	3.3
Show a good place for a winter vacation	3.8	4.1	3.7	3.7

The ad ratings do not vary significantly by market, however, respondents from Atlanta rated the ads higher on average, while the Houston respondents rated the ads lower. One rating was especially low in Houston, for *shows a unique vibe and desirable lifestyle*.

#### Ratings of California - by Market

	Atlanta	Chicago	Dallas	Houston
Made you more interested in visiting this state	3.6	3.5	3.7	3.5
Show experiences & places you are interested in	3.7	3.6	3.6	3.6
Show a unique vibe and desirable lifestyle	3.7	3.6	3.7	3.4
Show a good place for a winter vacation	3.9	3.7	3.8	3.8

Another way to consider the Winter Snow campaign ratings is to compare them to the spring campaign ratings. An advertising campaign was launched in spring 2006 to promote the California lifestyle and advantages of vacationing in California. Surveys were conducted nationally and among key markets; in total, 3274 surveys were completed. The respondents rated the ads on three attributes.

- Makes you more interested in visiting this state
- Shows experiences and places that you are interested in
- Shows a unique place with a diverse and desirable lifestyle

As compared to the spring 2006 campaign, the Winter Snow campaign was more successful at interesting people in the state and showing experiences and places that respondents found appealing. As such, the winter campaign performed well. Still, since Colorado already has such a strong image as a winter destination, is it important to develop advertising which convinces people that California is the better option.

#### Ratings of Campaigns

Ratings for...these ads...	CA
make you more interested in visiting this state	3.4
show experiences & places that you are interested in	3.5
show a unique place with diverse & desirable lifestyle	3.6
<b>Average</b>	<b>3.5</b>

One observation from the spring campaign was that the ads seemed targeted solely to a young audience. This was also somewhat true of the winter campaign. The table below shows that the youngest respondents (18-24) were the most positive about the ads, while older respondents were less positive.

#### Ratings of California - by Age

Advertising ...	18 - 24	25 - 35	36 - 45	46 - 54	55 or older
made you more interested in visiting this state	3.9	3.7	3.5	3.4	3.3
shows experiences & places you are interested in	4.1	3.7	3.6	3.5	3.5
shows a unique vibe and desirable lifestyle	3.8	3.7	3.5	3.4	3.5
shows a good place for a winter vacation	4.1	3.8	3.8	3.7	3.8

California's winter advertising creative received positive ratings and was generally effective at showing a good destination for a winter vacation. However, from a competitive standpoint, the Colorado advertising was considered more appealing, and to a younger audience. California Tourism should evaluate messages that create a competitive advantage for the state.

## INFLUENCE ON ATTITUDES

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Once the campaign reaches the audience with a positive message, a key measure of effectiveness is whether the advertising puts a more positive spin on consumers' perceptions of the area. If the advertising creates a more positive image, it is likely to increase interest in visiting and, ultimately, generate incremental trips. The respondents rated the state before viewing the ads in the survey. While all were then shown the ads, differences in the ratings between those who claimed to have seen them when they ran and those who saw them only as part of the survey can be attributed to the impact of the campaign.

The table shows the ratings differences between consumers who recalled seeing the ads during the campaign and those who did not. As the overall ratings indicate, consumers had a positive image of California's off-hill activities, while their image of the state's ski-related offerings was weaker. The ads were most effective at boosting ratings for ski-related attributes: snow quality, challenge of the terrain, variety of the terrain, lift lines, weather, family programs, and scenery. These findings are positive, since California will need to maintain or improve its image of having good slopes in order to attract winter travelers. The attributes surrounding off-hill activities and social events, however, improved less significantly. While this result was predictable given that these ratings were higher to begin with, future ads should aim to improve off-hill-related attributes and differentiate California from Colorado as a winter travel destination.

**Attribute Ratings - by Awareness**

	Ads	No Ads	Diff.
Snow Quality	3.3	3.1	0.2
Challenge of Terrain	3.4	3.2	0.2
Variety of Terrain	3.5	3.2	0.2
Grooming	3.3	3.2	0.1
Lift Lines	3.2	3.0	0.2
Crowding on Mountain	3.0	2.9	0.1
Value	3.0	2.8	0.2
Service	3.4	3.2	0.1
Weather	3.7	3.5	0.2
Access	3.3	3.2	0.1
On-mountain Food	3.3	3.2	0.1
Lodging	3.5	3.5	0.0
Dining	3.7	3.6	0.1
Après Ski Entertainment & Nightlife	3.5	3.4	0.1
Off-hill Activities	3.6	3.5	0.1
Family Programs	3.3	3.2	0.2
Scenery	4.0	3.8	0.2
Parks and Pipes	3.3	3.2	0.1
Ski/Board Rentals	3.4	3.2	0.1

Review of the impact of the advertising by the competitive states reinforces the strength of Colorado's campaign. In fact, the results show that respondents who were aware of Colorado's ads had more positive attitudes about the state across the board. Montana's ads also strengthened its image across the board, especially for *weather*. However, Utah's ads were less effective and, in some cases, its ratings dropped.

#### Impact of Ads from Tested States

Attributes	Colorado	Montana	Utah
Parks and Pipes	0.4	0.3	0.0
Off-hill Activities	0.4	0.1	0.2
Service	0.3	0.3	0.2
Après Ski Entertainment & Nightlife	0.3	0.3	0.2
Value	0.3	0.2	0.0
Dining	0.3	0.4	0.1
Weather	0.3	0.5	0.0
On-mountain Food	0.2	0.2	0.1
Snow Quality	0.2	0.3	-0.1
Lodging	0.2	0.4	0.0
Crowding on Mountain	0.2	0.2	-0.2
Variety of Terrain	0.2	0.4	-0.1
Access	0.2	0.3	-0.1
Scenery	0.2	0.3	0.1
Ski/Board Rentals	0.2	0.2	0.1
Challenge of Terrain	0.2	0.3	0.0
Lift Lines	0.2	0.2	0.0
Family Programs	0.1	0.4	0.1
Grooming	0.1	0.2	0.0

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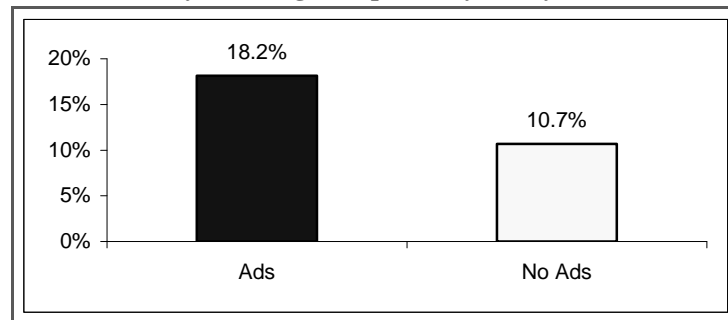
## BUILD INTEREST & PREFERENCE

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Ultimately, the goal of the CTTC is to increase interest in winter travel and actual visitation to California with its marketing campaign. Therefore, the final measure of this research assesses whether the advertising increased interest in winter travel to California. Actual travel will be measured in Phase 2 of this research, which will be conducted after the skiing/snowboarding season is over and visitors have had time to take their trips.

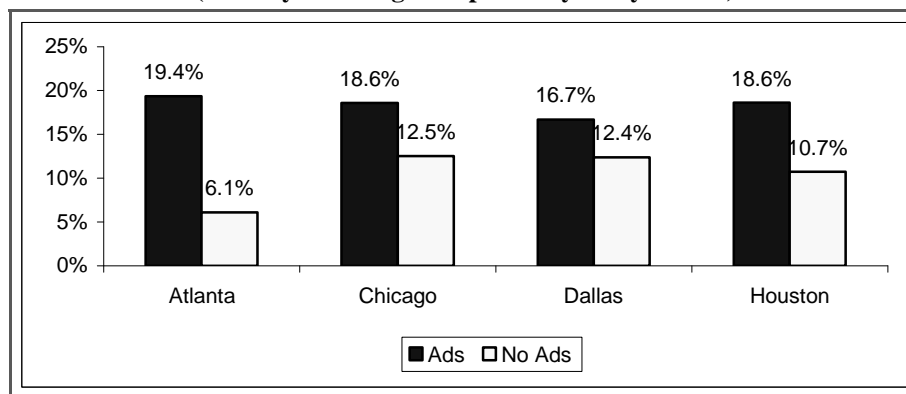
One measure of the advertising is noting the difference in likelihood to travel between respondents who were exposed to the advertising and those who were not. On a positive note, those respondents who were exposed to the advertising were much more likely to say that they were already planning a trip or were very likely to visit within the next year.

**Likelihood to Visit California - by Ad Awareness**  
(Already Planning a Trip & Very Likely to Visit)



This greater likelihood to be interested in visitation holds across all four markets. Ad aware respondents in Atlanta claimed more interest in visiting the state, while Dallas respondents were less interested by comparison.

**Likelihood to Visit California - by Ad Awareness & Market**  
(Already Planning a Trip & Very likely to visit)



Another measure of advertising impact is the manner in which advertising influences “top of mind” reactions. As noted, overall, Colorado, Utah and California were the top three states that came to mind when the respondents were asked to think about good places to go for activities like snowboarding and skiing. When analyzed by awareness of the California campaign, respondents *who saw the advertising* were much more likely to think of California as a good place for a winter vacation. Yet, even with this boosted rating, California lags Colorado and Utah.

**Top of Mind Awareness of States to  
Ski & Snowboard - by Awareness**

	Ads	No Ads	Diff
Colorado	95.6%	98.1%	- 2.5%
Utah	55.9%	54.9%	1.0%
California	39.3%	23.1%	16.2%
New Mexico	28.4%	22.4%	6.0%
Vermont	25.3%	29.6%	- 4.3%
Wyoming	21.2%	18.4%	2.9%
Nevada	14.7%	14.8%	- 0.1%
Wisconsin	11.5%	11.2%	0.3%
Idaho	10.9%	13.5%	- 2.6%
Montana	10.8%	16.4%	- 5.5%
Michigan	7.8%	12.4%	- 4.6%

While the ultimate goal is to generate visitation, it is important to note interim actions that suggest interest in future visitation: gathering information about a destination, visiting a state Website, calling a state 800 number and requesting information. The table shows that California indexed much higher than average in all four categories. Yet, Colorado received even higher scores, again reinforcing the competitive nature of the marketplace.

**Impact of Advertising Overall**

	CA	CO	ID	MT	NV	UT	NY	VT
Gathered information, researched destination	154	242	24	47	99	95	93	45
Visited State Website	123	201	48	69	101	108	80	70
Called State 800 number	120	205	84	63	111	67	91	58
Requested information using other method	127	223	39	64	91	99	89	69



As noted, respondents *who saw the advertising* reported gathering information and visiting the state Website at a much higher rate. This positive finding indicates that the ads are inspiring travelers to gather more information about the state.

#### **Impact of California Snow Advertising - by Awareness**

	<b>Ads</b>	<b>No Ads</b>	<b>Diff.</b>
Gathered information, researched destination	31.0%	22.8%	8.2%
Visited State Website	18.5%	14.7%	3.8%
Called State 800 number	1.4%	0.7%	0.7%
Requested information using other method	8.0%	6.6%	1.4%

These by-market findings show that overall the ads spurred action in Atlanta, Chicago, and Houston. However, Dallas respondents were actually less likely to gather information or call the state 800 number. As discussed through other measures, the advertising appears to have been less effective in Dallas.

#### **Impact of California Snow Advertising - by Awareness & Market**

	<b>Atlanta</b>		
	<b>Ads</b>	<b>No Ads</b>	<b>Diff.</b>
Gathered information, researched destination	33.9%	22.1%	11.7%
Visited State Website	29.0%	15.3%	13.8%
Called State 800 number	0.0%	1.5%	-1.5%
Requested information using other method	12.9%	6.1%	6.8%

	<b>Chicago</b>		
	<b>Ads</b>	<b>No Ads</b>	<b>Diff.</b>
Gathered information, researched destination	32.9%	20.8%	12.0%
Visited State Website	21.4%	18.3%	3.1%
Called State 800 number	4.3%	0.0%	4.3%
Requested information using other method	5.7%	6.7%	-1.0%

	<b>Dallas</b>		
	<b>Ads</b>	<b>No Ads</b>	<b>Diff.</b>
Gathered information, researched destination	27.8%	28.3%	-0.5%
Visited State Website	13.3%	8.8%	4.5%
Called State 800 number	0.0%	0.9%	-0.9%
Requested information using other method	6.7%	8.0%	-1.3%

	<b>Houston</b>		
	<b>Ads</b>	<b>No Ads</b>	<b>Diff.</b>
Gathered information, researched destination	30.2%	20.5%	9.7%
Visited State Website	12.8%	14.3%	-1.5%
Called State 800 number	0.0%	0.9%	-0.9%
Requested information using other method	9.3%	5.4%	3.9%

## CONCLUSIONS

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The research highlighted the competitive market for attracting winter/ski travel. Overall, respondents mentioned California in third place most often as a good destination for cold weather activities, after Colorado and Utah. In almost all areas Colorado took the lead relative to position and image. The challenge for California is finding ways to differentiate itself from Colorado and convince consumers that it has more to offer.

About 13% of respondents claimed to be very likely to visit California within the next year or were already planning their trips, a number below that recorded for Colorado (43%), Utah (16%), and New York (16%). Further, when respondents indicated their likelihood to visit more than one destination, Colorado was listed most often as the preferred destination.

Relative to the image ratings, California was rated highly for scenery, dining, weather, lodging and off-hill activities, with Chicago and Houston having the most positive image of the state. Colorado and Utah, however, earned stronger image ratings, especially for those attributes directly related to skiing and ski conditions.

California is positioned as a destination with good slopes and amenities, a contrast from Colorado and Utah, which are positioned as having good slopes and value. This difference in après ski opportunities can become part of the California winter brand, which will help differentiate California from the market leaders.

The California Snow TV ad earned the single highest recall rating in the four markets tested – over Colorado, Montana and Utah. Recall of the California ad was highest in Dallas and lowest in Atlanta, and most respondents viewed the ad more than once. In all, the ad reached approximately 1.5 million households at a cost of \$0.99 per household.

Only a small percentage of travelers visited the [visitcaliforniasnow.com](http://visitcaliforniasnow.com) Website, although the *ad aware* respondents were twice as likely to do so. The TV ad increased Website traffic most strongly in Chicago and Houston. Its influence was weaker in Dallas, although Dallas claimed the highest recall of the Internet ad. Overall, the Internet ads produced 6% aware respondents and extended the reach of the campaign by 2.4%.

Just as with the image ratings for California and the competitive states, the California ads were rated quite highly, though not as highly as the Colorado ads. As compared to the California spring 2006 campaign, the ad ratings were strong and within the goal range. As with the spring 2006 campaign, the ads were more likely to appeal to younger respondents.

The respondents who viewed the advertising rated California higher in several ski-related areas - a positive finding which may help the state maintain its competitive position with Colorado and Utah. The ratings for the Colorado ads were even more positive, reinforcing the need to differentiate California from that state's winter product. While the Montana ads also created a positive impact, the Utah ads were not as effective and actually earned lower ratings on numerous attributes.

The California ads were successful in building interest in visitation, especially among Atlanta travelers. The ads also improved top-of-mind awareness of California as a good, cold weather destination although, despite this improvement, California fell behind Colorado and Utah. While the ads did not create a stronger preference for visiting California, they did spur respondents to gather information, visit the Website, and call the 800 number. Again, Colorado indexed much higher on all these interim measures.

## **RECOMMENDATIONS**

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Despite the fact that California is not as popular among travelers as Colorado and Utah, the state continues to be perceived as a premier cold weather destination. To become more competitive with and to differentiate from Colorado and Utah, California will need to maintain its ski-related image and continue to highlight its off-hill offerings. While the ads boosted California's image ratings for ski-related activities, the improvement was slight for off-hill activities. Upcoming campaigns will need to focus on improving the scores in both these categories and communicating real points of differentiation.

The media strategy worked well and provided a strong "share of voice" for California relative to its key competitors. The basic media strategy should be continued. In terms of targets, Dallas should be reassessed to determine its status as a good target market.

The California Snow TV ad encouraged Website visitation, causing an overlap in media that likely reinforced the message of the campaign. Since the goal is creating points of differentiation, driving people to the Web for additional information is a fine strategy. The campaign should give consumers reasons to visit the Website.

As with the 2006 spring campaign, to reach a wider audience, the Winter Snow campaign may need to broaden its appeal to people of all ages. This approach could be important to an older skiing audience that is especially interested in amenities.

The main challenge for California will be using its advertising to communicate points of differentiation which will set its winter products apart from those of Colorado and Utah. This could include such things as promotions, contests, packages and other deals that support the ski-related attributes and the other amenities available at California ski areas.

## **APPENDIX**

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## 2006 ADVERTISING EFFECTIVENESS INTERNET SURVEY SNOW CAMPAIGN MARKET

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**California Tourism**  
Final – Dec 19, 2006

Thank you for visiting our travel survey. Your opinions are valuable to us! This survey is about travel and vacation choices. This is for research purposes only and is an opportunity for you to give feedback to travel destinations so that they can improve. No sales effort will ever result from your participation.

Before you begin, there are a few things to note about the survey:

- For most questions, simply click on the button of your response and then click on the Next button to go on to the next question.
- If you need to go back to the preceding question to change your response, click on the Previous button.
- For some questions, you will need to scroll down to respond to all the questions on a screen.
- To stop at any point, close the browser window. The survey will terminate and you will not be able to re-enter.

S1. First, who in your household is primarily responsible for making decisions concerning travel destinations?

- 1 ..... SELF  
2 ..... SELF & OTHER  
3 ..... SPOUSE/OTHER → TERMINATE

S2. Do you normally take at least one vacation or leisure trip a year? A leisure trip would be any non-business trip involving at least one night stay at a location at least 50 miles from your home?

- 1 ..... Yes  
2 ..... No → TERMINATE

S3. Which of the following categories best represents the total annual income for your household before taxes?

- ☐ Less than \$50,000 → TERMINATE  
☐ \$50,000 but less than \$75,000  
☐ \$75,000 but less than \$100,000  
☐ \$100,000 or more

1. Thinking about places to go for cold weather activities, such as skiing and snow boarding, what STATES come to mind as good places to go? (USE DROP DOWN LISTS)

STATE #1 \_\_\_\_\_  
STATE #2 \_\_\_\_\_  
STATE #3 \_\_\_\_\_  
STATE #4 \_\_\_\_\_

2. How likely are you to visit each of the following states for a cold weather vacation in the next year?

	Not at all likely	Not very likely	Somewhat likely	Very likely	Already planning a trip
California	1	2	3	4	5
Colorado	1	2	3	4	5
Idaho	1	2	3	4	5
Montana	1	2	3	4	5
Nevada	1	2	3	4	5
Utah	1	2	3	4	5
New York	1	2	3	4	5
Vermont	1	2	3	4	5

ASK Q3 IF CALIFORNIA IS AMONG THE HIGHEST RATED STATES AT Q2. THAT IS, NO STATE IS RATED HIGHER THAN CA AND AT LEAST ONE OTHER STATE IS RATED EQUAL TO CA. (IF OTHER STATES ARE HIGHER THAN CA, OR IF CA IS HIGHER THAN ALL OTHER STATES, SKIP TO Q4).

FOR CALIFORNIA AND OTHER STATES OF EQUAL LIKELIHOOD AT Q2.

3. Which of the following states would you prefer to visit within the next year? (Please select only one.)

LIST STATES PER INSTRUCTION

4. In the course of planning for any upcoming trips, have you gathered information, gone to the website, or contacted any of the following states regarding information for planning a trip?

Please mark all that apply.

	Gathered information, researched destination	Visited State Website	Called State 800 number	Requested information using other method	None
California	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Colorado	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Idaho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Montana	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nevada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Utah	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New York	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vermont	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FOR Q5 CALIFORNIA SHOULD BE ASKED OF ALL;  
AS WELL, ROTATE TWO ADDITIONAL STATES WITH EQUAL LIKLIHOOD, IF POSSIBLE, OR ONE RATING PLUS OR MINUS:

5. Please answer some questions regarding [INSERT STATE] and what it provides as a ski/snow boarding destination. How would you rate [INSERT STATE] for..

	Poor				Excellent
Snow quality	1	2	3	4	5
Challenge of Terrain	1	2	3	4	5
Variety of Terrain	1	2	3	4	5
Grooming	1	2	3	4	5
Lift Lines	1	2	3	4	5
Crowding on Mountain	1	2	3	4	5
Value	1	2	3	4	5
Service	1	2	3	4	5
Weather	1	2	3	4	5
Access	1	2	3	4	5
On-mountain food	1	2	3	4	5
Lodging	1	2	3	4	5
Dining	1	2	3	4	5
Après Ski Entertainment & Nightlife	1	2	3	4	5
Off-Hill Activities	1	2	3	4	5
Family Programs	1	2	3	4	5
Scenery	1	2	3	4	5
Parks and Pipes	1	2	3	4	5
Ski/Board Rentals	1	2	3	4	5

#### INTRO TO TV ADS:

Now you will view an ad which will involve streaming video. You must have Microsoft Media Player installed to watch the ad.

If you have broadband Internet access, such as a cable modem, DSL, or a fast connection at work, please click the Broadband buttons to view the ads. If you have a dialup modem or you're not sure, use the Dialup buttons.

Please click Dialup or Broadband to view the ad then answer the question.

ASK QUESTIONS 6, 7 & 10 FOR EACH STATE, ROTATE ORDER OF STATES SHOWN

California  
Colorado  
Montana  
Utah

#### **California**

mms://sms7.omniproductions.net/UT06W\_CATV1-1.wmv

mms://sms7.omniproductions.net/UT06W\_CATV1-1a.wmv

#### **Colorado**

mms://sms7.omniproductions.net/UT06W\_COTV1.wmv

mms://sms7.omniproductions.net/UT06W\_COTV1a.wmv

mms://sms7.omniproductions.net/UT06W\_COTV2.wmv

mms://sms7.omniproductions.net/UT06W\_COTV2a.wmv



**Montana**

mms://sms7.omniproductions.net/UT06W\_MTTV1-1.wmv

mms://sms7.omniproductions.net/UT06W\_MTTV1-1a.wmv

**Utah**

Winter Snow

mms://sms7.omniproductions.net/UT06W\_UTTV1-1.wmv

mms://sms7.omniproductions.net/UT06W\_UTTV1-1a.wmv

6. Do you recall seeing the following television ad?

1. Yes
2. No (THANK AND SKIP TO Q8)
3. Could not view the ad (THANK AND SKIP TO Q8)

7. How many times have you seen it?

1. Once
2. Two or three times
3. More than three times

FOR CALIFORNIA ONLY

8. Do you recall seeing this internet ad?

1. Yes
2. No

i. Did you visit this website – visitcaliforniasnow.com? (INSERT PICTURE OF WEBSITE)

I:\Team David\Ads - Master\California\1019106\ home page.png

1. Yes
2. No

FOR CALIFORNIA &amp; COLORADO ASK

j. Now please indicate how much you agree that these ads...

	Strongly Disagree				Strongly Agree
made you more interested in visiting this state	1	2	3	4	5
show experiences and places that you are interested in	1	2	3	4	5
show a unique vibe and desirable lifestyle	1	2	3	4	5
show a good place for a winter vacation	1	2	3	4	5

FOR MONTANA &amp; UTAH ASK

10a. Now please indicate how much you agree that this ad...

Ad...	Strongly Disagree				Strongly Agree
made you more interested in visiting this state	1	2	3	4	5
shows experiences & places you are interested in	1	2	3	4	5
shows a unique vibe and desirable lifestyle	1	2	3	4	5
shows a good place for a winter vacation	1	2	3	4	5

**The following questions are for classification purposes only, and will help us understand different groups of people.**

- k. What is your marital status? Are you...?
  - a. Married
  - b. Divorced/Separated
  - c. Widowed
  - d. Single/Never married
- l. Including yourself, how many people are currently living in your household? \_\_\_\_\_
- m. How many living in your household are children under the age of 18? \_\_\_\_\_
- n. Which of the following categories best represents the last grade of school you completed?
  - a. High school or less
  - b. Some College/Technical school
  - c. College graduate
  - d. Post graduate degree
- o. Which of the following best describes your ethnic heritage? Are you...
  - a. African American
  - b. Asian-American
  - c. Caucasian
  - d. Hispanic/Latin American
  - e. Mixed ethnicity
  - f. Native American
  - g. Other
- p. What is your age?
  - a. 18-24
  - b. 25-35
  - c. 36-45
  - d. 46-54
  - e. 55 or older
- q. Are you...
  - a. MALE
  - b. FEMALE

**THANK YOU FOR PARTICIPATING IN THIS SURVEY.**